

2SHB 1418 - H AMD 246

By Representative Kirby

ADOPTED 03/11/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
4 to read as follows:

5 (1) A carrier may not retroactively deny, adjust, or seek
6 recoupment or refund of an adjudicated claim submitted by a health care
7 provider for any reason, other than fraud or coordination of benefits
8 or as set forth in subsection (5) of this section, after the expiration
9 of two years from the date the initial claim was paid. If a carrier
10 retroactively denies, adjusts, or seeks recoupment or refund of an
11 adjudicated claim, the health care provider has an additional period of
12 six months from the date the notice required by subsection (6) of this
13 section was received within which to file either a revised claim or a
14 request for reconsideration supported by additional medical records or
15 information. If both the carrier and provider agree, adjudicated
16 claims may be adjusted after the expiration of two years from the date
17 the claim was paid.

18 (2) A health care provider may not retroactively seek adjustment of
19 an adjudicated claim by a carrier for any reason, other than fraud or
20 coordination of benefits, after the expiration of two years from the
21 date the initial claim was paid. If a provider retroactively seeks an
22 adjustment of an adjudicated claim, the carrier has an additional
23 period of six months from the date the notice required by subsection
24 (6) of this section was received within which to file a response. If
25 both the carrier and provider agree, adjudicated claims may be adjusted
26 after the expiration of two years from the date the claim was paid.

27 (3) A carrier may not retroactively deny, adjust, or seek
28 recoupment or refund of an adjudicated claim submitted by a health care
29 provider for reasons related to coordination of benefits with another
30 carrier or other entity responsible for payment of the claim after the

1 expiration of thirty months from the date the original claim was paid
2 by the primary or secondary payer, regardless who is seeking the
3 adjustment or recoupment. A carrier may not unreasonably delay initial
4 payment of a claim to a health care provider because of carrier efforts
5 to coordinate benefits nor may a carrier require the provider to assume
6 responsibility for coordination of benefits except to provide the
7 carrier information. If the carrier retroactively denies, adjusts, or
8 seeks recoupment or refund of an adjudicated claim based on
9 coordination of benefits, the carrier must provide the health care
10 provider with notice specifying the reason for the denial, adjustment,
11 recoupment, or refund, and provide the name and address of the entity
12 that has acknowledged responsibility for payment of the adjudicated
13 claim. The health care provider has an additional six months from the
14 date the health care provider received the notice specified in this
15 subsection to submit a claim for reimbursement for the health care
16 service to the carrier, medical assistance program, government health
17 benefit program, or any other entity responsible for payment of
18 services provided. If both the carrier and provider agree, adjudicated
19 claims may be adjusted after the expiration of eighteen months from the
20 date the claim was paid.

21 (4) A health care provider may not retroactively seek adjustment of
22 a claim payment by a carrier for reasons related to coordination of
23 benefits with another carrier or other entity responsible for payment
24 of the claim after the expiration of thirty months from the date the
25 original claim was paid. If a provider retroactively seeks adjustment
26 of an adjudicated claim based on coordination of benefits, the health
27 care provider must provide the carrier with notice specifying the
28 reason for the adjustment, and provide the name and address of the
29 entity that has failed to acknowledge responsibility for payment of the
30 claim. The carrier has an additional six months from the date the
31 carrier receives the notice specified in this subsection to respond.
32 If both the carrier and provider agree, adjudicated claims may be
33 adjusted after the expiration of eighteen months from the date the
34 claim was paid.

35 (5) To prevent duplicate recovery for the same health service, a
36 carrier may seek recoupment, adjustment, or refund of an adjudicated
37 claim paid to a health care provider after the expiration of one year
38 from the date the initial claim was paid if: (a) The carrier is

1 seeking recovery of a claim payment owed by a third party, including
2 government entities, as a consequence of liability imposed by law, such
3 as that arising from tort liability; and (b) the carrier is unable to
4 seek recovery directly from the third party because the third party
5 either has paid or will pay the provider for the same health service as
6 the initial claim.

7 (6) A carrier or health care provider that retroactively denies,
8 adjusts, or seeks recoupment, adjustment, or refund of an adjudicated
9 claim must give the other party written notice specifying the reason
10 for the action taken. Any actions that are based upon medical
11 necessity determinations, level of service determinations, coding
12 errors, or billing irregularities must be reconciled by the carrier or
13 the provider to the specific claims in question.

14 (7) A health care provider or a carrier has thirty days after
15 receipt of the notice under subsection (6) of this section in which to
16 notify the other party that they are disputing or contesting the
17 action. When a provider or a carrier fails to respond in writing in
18 thirty days to a written notice of recoupment or adjustment, the
19 carrier or provider may consider the recoupment or adjustment accepted.
20 If the health care provider or a carrier disputes or contests the
21 action, then any disputed or contested claim payment is not subject to
22 recoupment, refunds, or adjustment by the other party until all the
23 appeals procedures, hearings, or other remedies available to the health
24 care provider and the carrier have been finally decided. If the
25 decision is favorable to the carrier, any disputed payment may be
26 offset in a future claim payment for that provider.

27 (8) The requirements of this section may not be waived by contract
28 or otherwise by the health care provider or carrier. This section
29 neither permits nor precludes a carrier from recovering from a
30 subscriber, enrollee, or beneficiary any amounts paid to a health care
31 provider for benefits to which the subscriber, enrollee, or beneficiary
32 was not entitled under the terms and conditions of the health plan,
33 insurance policy, or other benefit agreement.

34 (9) This section does not apply to carrier or provider payment or
35 recoupment practices with respect to claims or payments for health care
36 services provided through dental-only health carriers, health care
37 services provided under Title XVIII (medicare) of the social security
38 act, or medicare supplemental plans regulated under chapter 48.66 RCW.

1 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2006."

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