

**E2SHB 1418** - S COMM AMD

By Committee on Health & Long-Term Care

ADOPTED 4/11/05

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) Except in the case of fraud, or as provided in subsection (2)  
6 and (3) of this section, a carrier may not: (a) request a refund from  
7 a health care provider of a payment previously made to satisfy a claim  
8 unless it does so in writing to the provider within twenty-four months  
9 after the date that the payment was made; or (b) request that a  
10 contested refund be paid any sooner than six months after receipt of  
11 the request. Any such request must specify why the carrier believes  
12 the provider owes the refund. If a provider fails to contest the  
13 request in writing to the carrier within thirty days of its receipt,  
14 the request is deemed accepted and the refund must be paid.

15 (2) A carrier may not, if doing so for reasons related to  
16 coordination of benefits with another carrier or entity responsible for  
17 payment of a claim: (a) request a refund from a health care provider of  
18 a payment previously made to satisfy a claim unless it does so in  
19 writing to the provider within thirty months after the date that the  
20 payment was made; or (b) request that a contested refund be paid any  
21 sooner than six months after receipt of the request. Any such request  
22 must specify why the carrier believes the provider owes the refund, and  
23 include the name and mailing address of the entity that has primary  
24 responsibility for payment of the claim. If a provider fails to  
25 contest the request in writing to the carrier within thirty days of its  
26 receipt, the request is deemed accepted and the refund must be paid.

27 (3) A carrier may at any time request a refund from a health care  
28 provider of a payment previously made to satisfy a claim if: (a) a  
29 third party, including a government entity, is found responsible for  
30 satisfaction of the claim as a consequence of liability imposed by law,  
31 such as tort liability; and (b) the carrier is unable to recover  
32 directly from the third party because the third party has either

1 already paid or will pay the provider for the health services covered  
2 by the claim.

3 (4) If a contract between a carrier and a health care provider  
4 conflicts with this section, this section shall prevail. However,  
5 nothing in this section prohibits a health care provider from choosing  
6 at any time to refund to a carrier any payment previously made to  
7 satisfy a claim.

8 (5) For purposes of this section, "refund" means the return, either  
9 directly or through an offset to a future claim, of some or all of a  
10 payment already received by a health care provider.

11 (6) This section neither permits nor precludes a carrier from  
12 recovering from a subscriber, enrollee, or beneficiary any amounts paid  
13 to a health care provider for benefits to which the subscriber,  
14 enrollee, or beneficiary was not entitled under the terms and  
15 conditions of the health plan, insurance policy, or other benefit  
16 agreement.

17 (7) This section does not apply to claims for health care services  
18 provided through dental-only health carriers, health care services  
19 provided under Title XVIII (medicare) of the social security act, or  
20 medicare supplemental plans regulated under chapter 48.66 RCW.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43 RCW  
22 to read as follows:

23 (1) Except in the case of fraud, or as provided in subsection (2)  
24 of this section, a health care provider may not: (a) request additional  
25 payment from a carrier to satisfy a claim unless he or she does so in  
26 writing to the carrier within twenty-four months after the date that  
27 the claim was denied or payment intended to satisfy the claim was made;  
28 or (b) request that the additional payment be made any sooner than six  
29 months after receipt of the request. Any such request must specify why  
30 the provider believes the carrier owes the additional payment.

31 (2) A health care provider may not, if doing so for reasons related  
32 to coordination of benefits with another carrier or entity responsible  
33 for payment of a claim: (a) request additional payment from a carrier  
34 to satisfy a claim unless he or she does so in writing to the carrier  
35 within thirty months after the date the claim was denied or payment  
36 intended to satisfy the claim was made; or (b) request that the  
37 additional payment be made any sooner than six months after receipt of  
38 the request. Any such request must specify why the provider believes

1 the carrier owes the additional payment, and include the name and  
2 mailing address of any entity that has disclaimed responsibility for  
3 payment of the claim.

4 (3) If a contract between a carrier and a health care provider  
5 conflicts with this section, this section shall prevail. However,  
6 nothing in this section prohibits a carrier from choosing at any time  
7 to make additional payments to a provider to satisfy a claim.

8 (4) This section does not apply to claims for health care services  
9 provided through dental-only health carriers, health care services  
10 provided under Title XVIII (medicare) of the social security act, or  
11 medicare supplemental plans regulated under chapter 48.66 RCW.

12 NEW SECTION. **Sec. 3.** This act applies to contracts issued or  
13 renewed on or after January 1, 2006."

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17 On page 1, line 2 of the title, after "practices;" strike the  
18 remainder of the title and insert "adding new sections to chapter 48.43  
19 RCW; and providing an effective date."

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**EFFECT:** Clarifies the bill by reorganizing and rewording the  
language.