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SENATE BILL 6184

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State of Washington

58th Legislature

2004 Regular Session

By Senators Prentice and Benton

Read first time 01/14/2004. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to regulating insurance overpayment recovery  
2 practices; adding a new section to chapter 48.20 RCW; adding a new  
3 section to chapter 48.21 RCW; adding a new section to chapter 48.44  
4 RCW; and adding a new section to chapter 48.46 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.20 RCW  
7 to read as follows:

8 (1) As used in this section, "health care provider" has the same  
9 meaning as in RCW 48.43.005.

10 (2) An insurer may not retroactively deny, adjust, or seek  
11 recoupment or refund of a paid claim for health care expenses submitted  
12 by a health care provider for any reason, other than fraud or  
13 coordination of benefits, after the expiration of one year from the  
14 date that the initial claim was paid. Retroactive denials,  
15 adjustments, recoupments, or refunds based on coordination of benefits  
16 are governed by subsection (3) of this section. Notwithstanding any  
17 other provision of law or contract to the contrary, if an insurer  
18 retroactively denies, adjusts, or seeks recoupment or refund of a paid  
19 claim, the health care provider has an additional period of six months

1 from the date that the notice required by subsection (4) of this  
2 section was received within which to file either a revised claim or a  
3 request for reconsideration with additional medical records or  
4 information.

5 (3) An insurer may not retroactively deny, adjust, or seek  
6 recoupment or refund of a paid claim submitted by a health care  
7 provider for reasons related to coordination of benefits with another  
8 insurer or entity responsible for payment of the claim after the  
9 expiration of eighteen months from the date that the original claim was  
10 paid. If the insurer retroactively denies, adjusts, or seeks  
11 recoupment or refund of a paid claim based on coordination of benefits,  
12 the insurer must provide the health care provider with notice  
13 specifying the reason for the denial, adjustment, recoupment, or  
14 refund, and provide the name and address of the entity acknowledging  
15 responsibility for payment of the denied claim. Notwithstanding any  
16 other provision of law or contract to the contrary, if an insurer  
17 retroactively denies reimbursement for services as a result of  
18 coordination of benefits with another insurer, the health care provider  
19 has an additional six months from the date that the health care  
20 provider received the notice specified in this subsection to submit a  
21 claim for reimbursement for the service to the insurer, health service  
22 corporation, health benefit plan, medical assistance program,  
23 government health benefit program, or other entity responsible for  
24 payment for the services provided.

25 (4) An insurer that retroactively denies, adjusts, or seeks  
26 recoupment or refund of a paid claim submitted by a health care  
27 provider must give the health care provider notice specifying the  
28 reason for the action taken. Any retroactive denials, adjustments, or  
29 requests for recoupment or refund of previous payments that are based  
30 upon medical necessity determinations, level of service determinations,  
31 coding errors, or billing irregularities must be reconciled to specific  
32 claims. A health care provider who disputes or contests the basis for  
33 the retroactive denial, adjustment, or request for recoupment or refund  
34 on all or any portion of a claim must notify the insurer within thirty  
35 days after the provider receives the notice that the retroactive  
36 denial, adjustment, or request for recoupment or refund for overpayment  
37 is disputed or contested. If the health care provider disputes or  
38 contests the retroactive denial, adjustment, or request for recoupment

1 or refund, then any disputed or contested overpayment is not subject to  
2 recoupment, refunds, or adjustment by the insurer until all the appeals  
3 procedures, hearings, or other remedies available to the health care  
4 provider have been finally decided in favor of the insurer.

5 (5) The requirements of this section may not be waived between the  
6 health care provider and an insurer. This section does not prevent or  
7 preclude an insurer from recovering in a court of law from a  
8 subscriber, enrollee, or beneficiary any amounts paid to a health care  
9 provider for benefits to which the subscriber, enrollee, or beneficiary  
10 was not entitled under the terms and conditions of the contract of  
11 insurance or the coverage agreement if the insurer is barred from  
12 seeking a retroactive denial, adjustment, or request for recoupment or  
13 refund from the health care provider under this section.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.21 RCW  
15 to read as follows:

16 (1) As used in this section, "health care provider" has the same  
17 meaning as in RCW 48.43.005.

18 (2) An insurer may not retroactively deny, adjust, or seek  
19 recoupment or refund of a paid claim for health care expenses submitted  
20 by a health care provider for any reason, other than fraud or  
21 coordination of benefits, after the expiration of one year from the  
22 date that the initial claim was paid. Retroactive denials,  
23 adjustments, recoupments, or refunds based on coordination of benefits  
24 are governed by subsection (3) of this section. Notwithstanding any  
25 other provision of law or contract to the contrary, if an insurer  
26 retroactively denies, adjusts, or seeks recoupment or refund of a paid  
27 claim, the health care provider has an additional period of six months  
28 from the date that the notice required by subsection (4) of this  
29 section was received within which to file either a revised claim or a  
30 request for reconsideration with additional medical records or  
31 information.

32 (3) An insurer may not retroactively deny, adjust, or seek  
33 recoupment or refund of a paid claim submitted by a health care  
34 provider for reasons related to coordination of benefits with another  
35 insurer or entity responsible for payment of the claim after the  
36 expiration of eighteen months from the date that the original claim was  
37 paid. If the insurer retroactively denies, adjusts, or seeks

1 recoupment or refund of a paid claim based on coordination of benefits,  
2 the insurer must provide the health care provider with notice  
3 specifying the reason for the denial, adjustment, recoupment, or  
4 refund, and provide the name and address of the entity acknowledging  
5 responsibility for payment of the denied claim. Notwithstanding any  
6 other provision of law or contract to the contrary, if an insurer  
7 retroactively denies reimbursement for services as a result of  
8 coordination of benefits with another insurer, the health care provider  
9 has an additional six months from the date that the health care  
10 provider received the notice specified in this subsection to submit a  
11 claim for reimbursement for the service to the insurer, health service  
12 corporation, health benefit plan, medical assistance program,  
13 government health benefit program, or other entity responsible for  
14 payment for the services provided.

15 (4) An insurer that retroactively denies, adjusts, or seeks  
16 recoupment or refund of a paid claim submitted by a health care  
17 provider must give the health care provider notice specifying the  
18 reason for the action taken. Any retroactive denials, adjustments, or  
19 requests for recoupment or refund of previous payments that are based  
20 upon medical necessity determinations, level of service determinations,  
21 coding errors, or billing irregularities must be reconciled to specific  
22 claims. A health care provider who disputes or contests the basis for  
23 the retroactive denial, adjustment, or request for recoupment or refund  
24 on all or any portion of a claim must notify the insurer within thirty  
25 days after the provider receives the notice that the retroactive  
26 denial, adjustment, or request for recoupment or refund for overpayment  
27 is disputed or contested. If the health care provider disputes or  
28 contests the retroactive denial, adjustment, or request for recoupment  
29 or refund, then any disputed or contested overpayment is not subject to  
30 recoupment, refunds, or adjustment by the insurer until all the appeals  
31 procedures, hearings, or other remedies available to the health care  
32 provider have been finally decided in favor of the insurer.

33 (5) The requirements of this section may not be waived between the  
34 health care provider and an insurer. This section does not prevent or  
35 preclude an insurer from recovering in a court of law from a  
36 subscriber, enrollee, or beneficiary any amounts paid to a health care  
37 provider for benefits to which the subscriber, enrollee, or beneficiary  
38 was not entitled under the terms and conditions of the contract of

1 insurance or the coverage agreement if the insurer is barred from  
2 seeking a retroactive denial, adjustment, or request for recoupment or  
3 refund from the health care provider under this section.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.44 RCW  
5 to read as follows:

6 (1) As used in this section, "health care provider" has the same  
7 meaning as in RCW 48.43.005.

8 (2) A health care service contractor may not retroactively deny,  
9 adjust, or seek recoupment or refund of a paid claim for health care  
10 expenses submitted by a health care provider for any reason, other than  
11 fraud or coordination of benefits, after the expiration of one year  
12 from the date that the initial claim was paid. Retroactive denials,  
13 adjustments, recoupments, or refunds based on coordination of benefits  
14 are governed by subsection (3) of this section. Notwithstanding any  
15 other provision of law or contract to the contrary, if a health care  
16 service contractor retroactively denies, adjusts, or seeks recoupment  
17 or refund of a paid claim, the health care provider has an additional  
18 period of six months from the date that the notice required by  
19 subsection (4) of this section was received within which to file either  
20 a revised claim or a request for reconsideration with additional  
21 medical records or information.

22 (3) A health care service contractor may not retroactively deny,  
23 adjust, or seek recoupment or refund of a paid claim submitted by a  
24 health care provider for reasons related to coordination of benefits  
25 with another insurer or entity responsible for payment of the claim  
26 after the expiration of eighteen months from the date that the original  
27 claim was paid. If the health care service contractor retroactively  
28 denies, adjusts, or seeks recoupment or refund of a paid claim based on  
29 coordination of benefits, the health care service contractor must  
30 provide the health care provider with notice specifying the reason for  
31 the denial, adjustment, recoupment, or refund, and provide the name and  
32 address of the entity acknowledging responsibility for payment of the  
33 denied claim. Notwithstanding any other provision of law or contract  
34 to the contrary, if a health care service contractor retroactively  
35 denies reimbursement for services as a result of coordination of  
36 benefits with another insurer, the health care provider has an  
37 additional six months from the date that the health care provider

1 received the notice specified in this subsection to submit a claim for  
2 reimbursement for the service to the insurer, health service  
3 corporation, health benefit plan, medical assistance program,  
4 government health benefit program, or other entity responsible for  
5 payment for the services provided.

6 (4) A health care service contractor that retroactively denies,  
7 adjusts, or seeks recoupment or refund of a paid claim submitted by a  
8 health care provider must give the health care provider notice  
9 specifying the reason for the action taken. Any retroactive denials,  
10 adjustments, or requests for recoupment or refund of previous payments  
11 that are based upon medical necessity determinations, level of service  
12 determinations, coding errors, or billing irregularities must be  
13 reconciled to specific claims. A health care provider who disputes or  
14 contests the basis for the retroactive denial, adjustment, or request  
15 for recoupment or refund on all or any portion of a claim must notify  
16 the health care service contractor within thirty days after the  
17 provider receives the notice that the retroactive denial, adjustment,  
18 or request for recoupment or refund for overpayment is disputed or  
19 contested. If the health care provider disputes or contests the  
20 retroactive denial, adjustment, or request for recoupment or refund,  
21 then any disputed or contested overpayment is not subject to  
22 recoupment, refunds, or adjustment by the health care service  
23 contractor until all the appeals procedures, hearings, or other  
24 remedies available to the health care provider have been finally  
25 decided in favor of the health care service contractor.

26 (5) The requirements of this section may not be waived between the  
27 health care provider and a health care service contractor. This  
28 section does not prevent or preclude a health care service contractor  
29 from recovering in a court of law from a subscriber, enrollee, or  
30 beneficiary any amounts paid to a health care provider for benefits to  
31 which the subscriber, enrollee, or beneficiary was not entitled under  
32 the terms and conditions of the contract of insurance or the coverage  
33 agreement if the health care service contractor is barred from seeking  
34 a retroactive denial, adjustment, or request for recoupment or refund  
35 from the health care provider under this section.

36 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.46 RCW  
37 to read as follows:

1 (1) As used in this section, "health care provider" has the same  
2 meaning as in RCW 48.43.005.

3 (2) A health maintenance organization may not retroactively deny,  
4 adjust, or seek recoupment or refund of a paid claim for health care  
5 expenses submitted by a health care provider for any reason, other than  
6 fraud or coordination of benefits, after the expiration of one year  
7 from the date that the initial claim was paid. Retroactive denials,  
8 adjustments, recoupments, or refunds based on coordination of benefits  
9 are governed by subsection (3) of this section. Notwithstanding any  
10 other provision of law or contract to the contrary, if a health  
11 maintenance organization retroactively denies, adjusts, or seeks  
12 recoupment or refund of a paid claim, the health care provider has an  
13 additional period of six months from the date that the notice required  
14 by subsection (4) of this section was received within which to file  
15 either a revised claim or a request for reconsideration with additional  
16 medical records or information.

17 (3) A health maintenance organization may not retroactively deny,  
18 adjust, or seek recoupment or refund of a paid claim submitted by a  
19 health care provider for reasons related to coordination of benefits  
20 with another insurer or entity responsible for payment of the claim  
21 after the expiration of eighteen months from the date that the original  
22 claim was paid. If the health maintenance organization retroactively  
23 denies, adjusts, or seeks recoupment or refund of a paid claim based on  
24 coordination of benefits, the health maintenance organization must  
25 provide the health care provider with notice specifying the reason for  
26 the denial, adjustment, recoupment, or refund, and provide the name and  
27 address of the entity acknowledging responsibility for payment of the  
28 denied claim. Notwithstanding any other provision of law or contract  
29 to the contrary, if a health maintenance organization retroactively  
30 denies reimbursement for services as a result of coordination of  
31 benefits with another insurer, the health care provider has an  
32 additional six months from the date that the health care provider  
33 received the notice specified in this subsection to submit a claim for  
34 reimbursement for the service to the insurer, health service  
35 corporation, health benefit plan, medical assistance program,  
36 government health benefit program, or other entity responsible for  
37 payment for the services provided.

1 (4) A health maintenance organization that retroactively denies,  
2 adjusts, or seeks recoupment or refund of a paid claim submitted by a  
3 health care provider must give the health care provider notice  
4 specifying the reason for the action taken. Any retroactive denials,  
5 adjustments, or requests for recoupment or refund of previous payments  
6 that are based upon medical necessity determinations, level of service  
7 determinations, coding errors, or billing irregularities must be  
8 reconciled to specific claims. A health care provider who disputes or  
9 contests the basis for the retroactive denial, adjustment, or request  
10 for recoupment or refund on all or any portion of a claim must notify  
11 the health maintenance organization within thirty days after the  
12 provider receives the notice that the retroactive denial, adjustment,  
13 or request for recoupment or refund for overpayment is disputed or  
14 contested. If the health care provider disputes or contests the  
15 retroactive denial, adjustment, or request for recoupment or refund,  
16 then any disputed or contested overpayment is not subject to  
17 recoupment, refunds, or adjustment by the health maintenance  
18 organization until all the appeals procedures, hearings, or other  
19 remedies available to the health care provider have been finally  
20 decided in favor of the health maintenance organization.

21 (5) The requirements of this section may not be waived between the  
22 health care provider and a health maintenance organization. This  
23 section does not prevent or preclude a health maintenance organization  
24 from recovering in a court of law from a subscriber, enrollee, or  
25 beneficiary any amounts paid to a health care provider for benefits to  
26 which the subscriber, enrollee, or beneficiary was not entitled under  
27 the terms and conditions of the contract of insurance or the coverage  
28 agreement if the health maintenance organization is barred from seeking  
29 a retroactive denial, adjustment, or request for recoupment or refund  
30 from the health care provider under this section.

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