

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1418

Chapter 278, Laws of 2005

59th Legislature
2005 Regular Session

INSURANCE--OVERPAYMENT RECOVERY

EFFECTIVE DATE: 7/24/05

Passed by the House April 19, 2005
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 11, 2005
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved May 4, 2005.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1418** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 4, 2005 - 3:35 p.m.

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1418

AS AMENDED BY THE SENATE

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Kirby, Roach, Simpson, Santos, Campbell, Orcutt, Williams and Serben)

READ FIRST TIME 03/08/05.

1 AN ACT Relating to regulating insurance overpayment recovery
2 practices; adding new sections to chapter 48.43 RCW; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
6 to read as follows:

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

17 (2) A carrier may not, if doing so for reasons related to
18 coordination of benefits with another carrier or entity responsible for
19 payment of a claim: (a) Request a refund from a health care provider

1 of a payment previously made to satisfy a claim unless it does so in
2 writing to the provider within thirty months after the date that the
3 payment was made; or (b) request that a contested refund be paid any
4 sooner than six months after receipt of the request. Any such request
5 must specify why the carrier believes the provider owes the refund, and
6 include the name and mailing address of the entity that has primary
7 responsibility for payment of the claim. If a provider fails to
8 contest the request in writing to the carrier within thirty days of its
9 receipt, the request is deemed accepted and the refund must be paid.

10 (3) A carrier may at any time request a refund from a health care
11 provider of a payment previously made to satisfy a claim if: (a) A
12 third party, including a government entity, is found responsible for
13 satisfaction of the claim as a consequence of liability imposed by law,
14 such as tort liability; and (b) the carrier is unable to recover
15 directly from the third party because the third party has either
16 already paid or will pay the provider for the health services covered
17 by the claim.

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

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

26 (6) This section neither permits nor precludes a carrier from
27 recovering from a subscriber, enrollee, or beneficiary any amounts paid
28 to a health care provider for benefits to which the subscriber,
29 enrollee, or beneficiary was not entitled under the terms and
30 conditions of the health plan, insurance policy, or other benefit
31 agreement.

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

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

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

10 (2) A health care provider may not, if doing so for reasons related
11 to coordination of benefits with another carrier or entity responsible
12 for payment of a claim: (a) Request additional payment from a carrier
13 to satisfy a claim unless he or she does so in writing to the carrier
14 within thirty months after the date the claim was denied or payment
15 intended to satisfy the claim was made; or (b) request that the
16 additional payment be made any sooner than six months after receipt of
17 the request. Any such request must specify why the provider believes
18 the carrier owes the additional payment, and include the name and
19 mailing address of any entity that has disclaimed responsibility for
20 payment of the claim.

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

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

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

Passed by the House April 19, 2005.

Passed by the Senate April 11, 2005.

Approved by the Governor May 4, 2005.

Filed in Office of Secretary of State May 4, 2005.