

HB 1944 -- HEALTH INSURANCE CLAIMS SETTLEMENT PRACTICES

SPONSOR: Hruza

This bill prohibits health carriers or health benefit plans from establishing, implementing, or enforcing any policy or practice that imposes a time limit for the payment of anesthesia services provided during a medical or surgical procedure. Moreover, health carriers or health benefit plans are prohibited from establishing, implementing, or enforcing any policy that restricts or excludes all anesthesia time in calculating the payment of anesthesia services. Excepted benefit plans will be subject to the requirements of this bill.

Additionally, the bill prohibits health carriers from using an automated process, system, or tool to downcode a claim, as the terms "downcoding" and "claim" are defined in the bill. Any downcoding decision must be made by a licensed physician who shares the same specialty as the treating physician. The reviewer must perform a documented review of the clinical information supporting the billed health care service, and a health carrier is prohibited from downcoding a claim based solely on the reported diagnosis code.

When a health carrier downcodes a claim, such carrier must notify the treating physician using the appropriate Claim Adjustment Reason Code and Remittance Advice Remark Code, as those terms are defined in the bill, to clearly indicate that the claim has been downcoded, as well as provide:

- (1) The specific reason for downcoding, including reference to the clinical criteria used to justify the downcoding;
- (2) The original and revised health care service codes and payment amounts;
- (3) The National Provider Identifier of the physician responsible for the downcoding decision and his or her credentials, board certifications, and areas of specialty expertise and training; and
- (4) A notice of the right to appeal.

Health carriers must provide physicians with a clear process for appealing downcoded claims, and physicians have the right to appeal in batches of similar claims.

Health carriers are prohibited from using downcoding practices in a targeted or discriminatory manner against physicians who routinely treat patients with complex or chronic conditions, and any pattern or practice of discriminatory downcoding is subject to enforcement actions by the director of the Department of Commerce and Insurance.

If the director of the Department determines that a health carrier has engaged, is engaging, or has taken a substantial step toward engaging in a violation of the provisions of this bill, the director can issue administrative orders or maintain a civil action for relief as provided by current law.