75th OREGON LEGISLATIVE ASSEMBLY - 2009 Regular Session **MEASURE: SB 508 A**
STAFF MEASURE SUMMARY **CARRIER: Sen. Monnes Anderson**
Senate Committee on Rules

REVENUE: No revenue impact
FISCAL: Minimal fiscal impact, no statement issued

Action:		Do Pass as Amended and Be Printed Engrossed
Vote:		5 - 0 - 0
	Yeas:	Atkinson, Burdick, Ferrioli, Metsger, Devlin
	Nays:	-
	Exc.:	-
Prepared By:		Erin Seiler, Administrator
Meeting Dates:		5/26

WHAT THE MEASURE DOES: Requires health insurers to request refunds from providers within 24 months of date of payment. Prescribes process for a health insurer to complete in order to receive refund as either a primary or secondary payer. Prohibits provider from requesting additional payments more than 24 months after payment is received. Gives provider 30 days to contest refund and an additional 30 days to pay refund. Establishes that failure to pay after 30 days results in future offset by insurer. Requires health insurers and providers to pay contested refund within six months of request. Permits health insurer to request, at any time, a refund if the claim was the responsibility of a government entity or third party payer (TPP), and TPP has already paid provider. Establishes that health insurer is not prevented from requesting refund from subscribers for monies paid to providers for uncovered services. Includes exceptions in cases where fraud is suspected. Exempts dental-only insurers, Medicare, Medicare supplemental plans. Applies to contracts signed after January 1, 2010.

ISSUES DISCUSSED:
- Provisions of the measures
- Implementation of equal timelines for providers and insurer

EFFECT OF COMMITTEE AMENDMENT: Sets timeline for a health insurer to make a request to a provider for payment already received by a health care provider to 24 months. Prescribes process for a health insurer to complete to receive refund as either a primary or secondary payer. Prohibits provider from requesting additional payments more than 24 months after payment is received. Gives provider 30 days to contest refund, an additional 30 days to pay refund, and failure to pay after 30 days results in future offset by insurer. Permits health insurer to request, at any time, a refund if the claim was the responsibility of a government entity or third party payer (TPP) and TPP has already paid provider. Establishes that health insurer is not prevented from requesting refund from subscribers for monies paid to providers for uncovered services. Includes exceptions in cases where fraud is suspected. Exempts dental-only insurers, Medicare, Medicare supplemental plans. Provisions preempt contracts if there is a conflict. Deletes emergency clause and applies to contracts signed after January 1, 2010.

BACKGROUND: Health insurers make payments directly to providers of medical healthcare services on behalf of the patient that is insured. If there is a refund due to the insurer because of overpayment to the provider, the refund must be requested in writing within 12 months after the date the payment was made to the provider. The provider has six months after the request is received to pay the insurer the refunded amount. In addition, the insurer must, in their request for refund payment, specify the reason why they believe there is a refund due.

Currently, there are no timelines for payment of refunds due, or any timelines on when the provider has to pay the insurer the refund amount. Senate Bill 508-A establishes equivalent timelines and procedures for health insurers and providers to make refund requests and payment.