LEGISLATIVE GENERAL COUNSEL
₵ Approved for Filing: C.R. Gilbert ₵
₵ 02-09-17 1:08 PM ₵

H.B. 128
2nd Sub. (Gray)

Representative Jon E. Stanard proposes the following substitute bill:

1 # HEALTH CARE DEBT COLLECTION AMENDMENTS

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: R. Curt Webb**

5 Senate Sponsor: ____________

6

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies and enacts provisions related to health care claims practices.

10 **Highlighted Provisions:**

11 This bill:

12 ▸ defines terms;

13 ▸ modifies the circumstances under which a health care provider may make a report to

14 a credit bureau or use the services of a collection agency against an insured;

15 ▸ addresses administrative penalties for a health care provider who fails to comply

16 with the provisions of this bill; and

17 ▸ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **31A-26-301.5**, as last amended by Laws of Utah 2016, Chapter 124

25 **62A-2-112**, as last amended by Laws of Utah 2016, Chapter 211

26 ENACTS:
27 **26-21-11.1**, Utah Code Annotated 1953
28 **58-1-508**, Utah Code Annotated 1953
29

---

30 *Be it enacted by the Legislature of the state of Utah:*
31 Section 1. Section **26-21-11.1** is enacted to read:
32 **26-21-11.1. Failure to follow certain health care claims practices -- Penalties.**
33 (1) The department may assess a fine against a health care provider who violates
34 Subsection 31A-36-301.5(4) of up to:
35 (a) $200 per violation if the amount the insured owes to the health care provider is
36 $2,500 or less; or
37 (b) $500 per violation if the amount the insured owes to the health care provider is
38 more than $2,500.
39 (2) The department shall waive the fine described in Subsection (1) if:
40 (a) the health care provider demonstrates to the department that the health care
41 provider mitigated and reversed any damage to the insured caused by the health care provider's
42 violation; or
43 (b) the insured does not pay the full amount due on the bill that is the subject of the
44 violation, including any interest, fees, costs, and expenses, within 120 days after the day on
45 which the health care provider makes a report to a credit bureau or uses the services of a
46 collection agency in violation of Subsection 31A-26-301.5(4).
47 Section 2. Section **31A-26-301.5** is amended to read:
48 **31A-26-301.5. Health care claims practices.**
49 (1) As used in this section, "health care provider" means:
50 (a) a health care facility as defined in Section 26-21-2; or
51 (b) a person licensed to provide health care services under:
52 (i) Title 58, Occupations and Professions; or
53 (ii) Title 62A, Chapter 2, Licensure of Programs and Facilities.
54 [~~(1)~~] (2) Except as provided in Section 31A-8-407, an insured retains ultimate
55 responsibility for paying for health care services the insured receives. If a service is covered by
56 one or more individual or group health insurance policies, all insurers covering the insured

57 have the responsibility to pay valid health care claims in a timely manner according to the
58 terms and limits specified in the policies.
59 [~~(2) (a)~~] <u>(3)</u> [~~Except as provided in Section 31A-22-610.1, a~~] <u>A</u> health care provider
60 may<u>:</u>
61 <u>(a) except as provided in Section 31A-22-610.1,</u> bill and collect for any deductible,
62 copayment, or uncovered service[~~.~~]<u>; and</u>
63 (b) [~~A health care provider may~~] bill an insured for services covered by health
64 insurance policies or [~~may~~] otherwise notify the insured of the expenses covered by the
65 policies. [~~However, a~~]
66 <u>(4) (a) Subject to Subsection (4)(b), a health care</u> provider may not make any report to
67 a credit bureau[~~,~~] <u>or</u> use the services of a collection agency[~~, or use methods other than routine~~
68 ~~billing or notification~~] until<u>:</u>
69 <u>(i)</u> the later of:
70 [~~(i)~~] <u>(A)</u> [~~the expiration of~~] <u>60 days after the day on which</u> the time afforded to an
71 insurer under Section 31A-26-301.6 to determine its obligation to pay or deny the claim
72 without penalty <u>expires</u>; or
73 [~~(ii)~~] <u>(B)</u> in the case of Medicare beneficiaries or retirees 65 years of age or older, 60
74 days from the date Medicare determines its liability for the claim[~~.~~]<u>; and</u>
75 <u>(ii) after the applicable date described in Subsection (4)(a)(i), the health care provider</u>
76 <u>sends a notice to the insured by certified mail with return receipt requested that states:</u>
77 <u>(A) the amount that the insured owes;</u>
78 <u>(B) a date that is at least 30 days after the day on which the health care provider sends</u>
79 <u>the notice by which the insured must pay the amount owed;</u>
80 <u>(C) that if the insured fails to timely pay the amount owed, the health care provider</u>
81 <u>may make a report to a credit bureau or use the services of a collection agency; and</u>
82 <u>(D) that each action described in Subsection (4)(b)(ii)(C) may negatively impact the</u>
83 <u>insured's credit score.</u>
84 <u>(b) A health care provider satisfies the requirements described in Subsection (4)(a) if</u>
85 <u>the health care provider complies with the provisions of 26 C.F.R. Sec. 1.501(r)-6.</u>
86 [~~(c)~~] <u>(5)</u> Beginning October 31, 1992, all insurers covering the insured shall notify the
87 insured of payment and the amount of payment made to the <u>health care</u> provider.

88 [~~(d)~~] (6) A health care provider shall return to an insured any amount the insured
89 overpaid, including interest that begins accruing 90 days after the date of the overpayment, if:
90 (i) the insured has multiple insurers with whom the health care provider has contracts
91 that cover the insured; and
92 (ii) the health care provider becomes aware that the health care provider has received,
93 for any reason, payment for a claim in an amount greater than the health care provider's
94 contracted rate allows.
95 [~~(3)~~] (7) The commissioner shall make rules consistent with this chapter governing
96 disclosure to the insured of customary charges by health care providers on the explanation of
97 benefits as part of the claims payment process. These rules shall be limited to the form and
98 content of the disclosures on the explanation of benefits, and shall include:
99 (a) a requirement that the method of determination of any specifically referenced
100 customary charges and the range of the customary charges be disclosed; and
101 (b) a prohibition against an implication that the health care provider is charging
102 excessively if the health care provider is:
103 (i) a participating provider; and
104 (ii) prohibited from balance billing.
105 Section 3. Section **58-1-508** is enacted to read:
106 **58-1-508. Failure to follow certain health care claims practices -- Penalties.**
107 (1) The division may assess a fine against a health care provider who violates
108 Subsection 31A-36-301.5(4) of up to:
109 (a) $200 per violation if the amount the insured owes to the health care provider is
110 $2,500 or less; or
111 (b) $500 per violation if the amount the insured owes to the health care provider is
112 more than $2,500.
113 (2) The division shall waive the fine described in Subsection (2) if:
114 (a) the health care provider demonstrates to the division that the health care provider
115 mitigated and reversed any damage to the insured caused by the health care provider's
116 violation; or
117 (b) the insured does not pay the full amount due on the bill that is the subject of the
118 violation, including any interest, fees, costs, and expenses, within 120 days after the day on

119 which the health care provider makes a report to a credit bureau or uses the services of a
120 collection agency in violation of Subsection 31A-26-301.5(4).
121 Section 4. Section **62A-2-112** is amended to read:
122 **62A-2-112. Violations -- Penalties.**
123 (1) A used in this section, "health care provider" means a person licensed to provide
124 health care services under this chapter.
125 [~~(1)~~] (2) The office may deny, place conditions on, suspend, or revoke a human
126 services license, if it finds, related to the human services program:
127 (a) that there has been a failure to comply with the rules established under this chapter;
128 (b) evidence of aiding, abetting, or permitting the commission of any illegal act; or
129 (c) evidence of conduct adverse to the standards required to provide services and
130 promote public trust, including aiding, abetting, or permitting the commission of abuse,
131 neglect, exploitation, harm, mistreatment, or fraud.
132 [~~(2)~~] (3) The office may restrict or prohibit new admissions to a human services
133 program, if it finds:
134 (a) that there has been a failure to comply with rules established under this chapter;
135 (b) evidence of aiding, abetting, or permitting the commission of any illegal act; or
136 (c) evidence of conduct adverse to the standards required to provide services and
137 promote public trust, including aiding, abetting, or permitting the commission of abuse,
138 neglect, exploitation, harm, mistreatment, or fraud.
139 (4) (a) The office may assess a fine against a health care provider who violates
140 Subsection 31A-36-301.5(4) of up to:
141 (i) $200 per violation if the amount the insured owes to the health care provider is
142 $2,500 or less; or
143 (ii) $500 per violation if the amount the insured owes to the health care provider is
144 more than $2,500.
145 (b) The office shall waive the fine described in Subsection (4)(a) if:
146 (i) the health care provider demonstrates to the office that the health care provider
147 mitigated and reversed any damage to the insured caused by the health care provider's
148 violation; or
149 (ii) the insured does not pay the full amount due on the bill that is the subject of the

150 violation, including any interest, fees, costs, and expenses, within 120 days after the day on
151 which the health care provider makes a report to a credit bureau or uses the services of a
152 collection agency in violation of Subsection 31A-26-301.5(4).