

HB0128S02 compared with HB0128S01

~~{deleted text}~~ shows text that was in HB0128S01 but was deleted in HB0128S02.

Inserted text shows text that was not in HB0128S01 but was inserted into HB0128S02.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative ~~{R}~~Jon E. Stanard ~~{Curt Webb}~~ proposes the following substitute bill:

HEALTH CARE DEBT COLLECTION AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Curt Webb

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the circumstances under which a health care provider may make a report to a credit bureau or use the services of a collection agency against an insured;
- ~~{~~▶ ~~provides a private right of action against a health care provider who fails to comply with the provisions of this bill;~~
- ‡ ▶ addresses administrative penalties for a health care provider who fails to comply with the provisions of this bill; and
- ▶ makes technical and conforming changes.

HB0128S02 compared with HB0128S01

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

ENACTS:

26-21-11.1, Utah Code Annotated 1953

58-1-508, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **26-21-11.1** is enacted to read:

26-21-11.1. Failure to follow certain health care claims practices -- Penalties.

(1) The department may assess a fine ~~{of up to \$500 per violation }~~ against a health care ~~{facility that}~~ provider who violates Subsection 31A-36-301.5(4).
~~{~~

~~{~~ of up to:

(a) \$200 per violation if the amount the insured owes to the health care provider is \$2,500 or less; or

(b) \$500 per violation if the amount the insured owes to the health care provider is more than \$2,500.

(2) The department shall waive the fine described in Subsection (1) if:

(a) the health care ~~{facility}~~ provider demonstrates to the department that the health care ~~{facility}~~ provider mitigated and reversed any ~~{credit}~~ damage to the insured caused by the health care ~~{facility's}~~ provider's violation; or

(b) the insured does not pay the full amount due on the bill that is the subject of the violation, including any interest, fees, costs, and expenses, within 120 days after the day on which the health care provider makes a report to a credit bureau or uses the services of a collection agency in violation of Subsection 31A-26-301.5(4).

Section 2. Section **31A-26-301.5** is amended to read:

HB0128S02 compared with HB0128S01

31A-26-301.5. Health care claims practices.

(1) As used in this section, "health care provider" means:

(a) a health care facility as defined in Section 26-21-2; or

(b) a person licensed to provide health care services under:

(i) Title 58, Occupations and Professions; or

(ii) Title 62A, Chapter 2, Licensure of Programs and Facilities.

~~(1)~~ (2) Except as provided in Section 31A-8-407, an insured retains ultimate responsibility for paying for health care services the insured receives. If a service is covered by one or more individual or group health insurance policies, all insurers covering the insured have the responsibility to pay valid health care claims in a timely manner according to the terms and limits specified in the policies.

~~(2)(a)~~ (3) ~~[Except as provided in Section 31A-22-610.1, a]~~ A health care provider may:

(a) except as provided in Section 31A-22-610.1, bill and collect for any deductible, copayment, or uncovered service[-]; and

(b) [A health care provider may] bill an insured for services covered by health insurance policies or [may] otherwise notify the insured of the expenses covered by the policies. [However, a]

(4) (a) Subject to Subsection (4)(b), a health care provider may not make any report to a credit bureau[-] or use the services of a collection agency[-, or use methods other than routine billing or notification] until:

(i) the later of:

~~(i)~~ (A) [the expiration of] 60 days after the day on which the time afforded to an insurer under Section 31A-26-301.6 to determine its obligation to pay or deny the claim without penalty expires; or

~~(ii)~~ (B) in the case of Medicare beneficiaries or retirees 65 years of age or older, 60 days from the date Medicare determines its liability for the claim[-]; and

(ii) after the applicable date described in Subsection (4)(a)(i), the health care provider sends a notice to the insured by certified mail with return receipt requested that states:

(A) the amount that the insured owes;

(B) a date that is at least 30 days after the day on which the health care provider sends

HB0128S02 compared with HB0128S01

the notice by which the insured must pay the amount owed;

(C) that if the insured fails to timely pay the amount owed, the health care provider may make a report to a credit bureau or use the services of a collection agency; and

(D) that each action described in Subsection (4)(b)(ii)(C) may negatively impact the insured's credit score.

(b) A health care provider satisfies the requirements described in Subsection (4)(a) if the health care provider complies with the provisions of 26 C.F.R. Sec. 1.501(r)-6.

~~{ (5) An insured may file an action in district court against a health care provider for a violation of a provision of Subsection (4).~~

~~— (ii) If the court finds that the health care provider violated a provision of Subsection (4), the court shall award the insured:~~

~~— (A) actual damages;~~

~~— (B) costs; and~~

~~— (C) reasonable attorney fees.~~

~~‡ [(e)] [(6);5]~~ Beginning October 31, 1992, all insurers covering the insured shall notify the insured of payment and the amount of payment made to the health care provider.

~~[(d)] [(7);6]~~ A health care provider shall return to an insured any amount the insured overpaid, including interest that begins accruing 90 days after the date of the overpayment, if:

(i) the insured has multiple insurers with whom the health care provider has contracts that cover the insured; and

(ii) the health care provider becomes aware that the health care provider has received, for any reason, payment for a claim in an amount greater than the health care provider's contracted rate allows.

~~[(3)] [(8);7]~~ The commissioner shall make rules consistent with this chapter governing disclosure to the insured of customary charges by health care providers on the explanation of benefits as part of the claims payment process. These rules shall be limited to the form and content of the disclosures on the explanation of benefits, and shall include:

(a) a requirement that the method of determination of any specifically referenced customary charges and the range of the customary charges be disclosed; and

(b) a prohibition against an implication that the health care provider is charging excessively if the health care provider is:

HB0128S02 compared with HB0128S01

- (i) a participating provider; and
- (ii) prohibited from balance billing.

Section 3. Section **58-1-508** is enacted to read:

58-1-508. Failure to follow certain health care claims practices -- Penalties.

~~{ (1) As used in this section, "health care provider" means an individual who is licensed to provide health care services under this title.~~

~~{ (2) The division may assess a fine { of up to \$500 per violation } against a health care provider who violates Subsection 31A-36-301.5(4). }~~

~~(3) of up to:~~

(a) \$200 per violation if the amount the insured owes to the health care provider is \$2,500 or less; or

(b) \$500 per violation if the amount the insured owes to the health care provider is more than \$2,500.

(2) The division shall waive the fine described in Subsection (2) if:

(a) the health care provider demonstrates to the division that the health care provider mitigated and reversed any {credit} damage to the insured caused by the health care provider's violation; or

(b) the insured does not pay the full amount due on the bill that is the subject of the violation, including any interest, fees, costs, and expenses, within 120 days after the day on which the health care provider makes a report to a credit bureau or uses the services of a collection agency in violation of Subsection 31A-26-301.5(4).

Section 4. Section **62A-2-112** is amended to read:

62A-2-112. Violations -- Penalties.

(1) As used in this section, "health care provider" means a person licensed to provide health care services under this chapter.

~~{(+)}~~ (2) The office may deny, place conditions on, suspend, or revoke a human services license, if it finds, related to the human services program:

- (a) that there has been a failure to comply with the rules established under this chapter;
- (b) evidence of aiding, abetting, or permitting the commission of any illegal act; or
- (c) evidence of conduct adverse to the standards required to provide services and promote public trust, including aiding, abetting, or permitting the commission of abuse,

HB0128S02 compared with HB0128S01

neglect, exploitation, harm, mistreatment, or fraud.

~~[(2)]~~ (3) The office may restrict or prohibit new admissions to a human services program, if it finds:

(a) that there has been a failure to comply with rules established under this chapter;
(b) evidence of aiding, abetting, or permitting the commission of any illegal act; or
(c) evidence of conduct adverse to the standards required to provide services and promote public trust, including aiding, abetting, or permitting the commission of abuse, neglect, exploitation, harm, mistreatment, or fraud.

(4) (a) The office may assess a fine ~~{of up to \$500 per violation}~~ against a health care provider who violates Subsection 31A-36-301.5(4):

~~{~~ of up to:

(i) \$200 per violation if the amount the insured owes to the health care provider is \$2,500 or less; or

(ii) \$500 per violation if the amount the insured owes to the health care provider is more than \$2,500.

(b) The office shall waive the fine described in Subsection (4)(a) if:

(i) the health care provider demonstrates to the office that the health care provider mitigated and reversed any ~~{credit}~~ damage to the insured caused by the health care provider's violation; or

(ii) the insured does not pay the full amount due on the bill that is the subject of the violation, including any interest, fees, costs, and expenses, within 120 days after the day on which the health care provider makes a report to a credit bureau or uses the services of a collection agency in violation of Subsection 31A-26-301.5(4).