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H.B. 204

1 # HEALTH CARE DEBT COLLECTION

2 2018 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 allows a health care provider to satisfy certain notice requirements through a

10 collection agency.

11 **Highlighted Provisions:**

12 This bill:

13 ▸ allows a health care provider to satisfy certain notice requirements through a

14 collection agency.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 AMENDS:

21 **31A-26-301.5**, as last amended by Laws of Utah 2017, Chapter 321

22

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

24 Section 1. Section **31A-26-301.5** is amended to read:

25 **31A-26-301.5. Health care claims practices.**

26 (1) As used in this section:

27 (a) "Health care provider" means:

28 (i) a health care facility as defined in Section 26-21-2; or
29 (ii) a person licensed to provide health care services under:
30 (A) Title 58, Occupations and Professions; or
31 (B) Title 62A, Chapter 2, Licensure of Programs and Facilities.
32 (b) "Text message" means a real time or near real time message that consists of text
33 and is transmitted to a device identified by a telephone number.
34 (2) Except as provided in Section 31A-8-407, an insured retains ultimate responsibility
35 for paying for health care services the insured receives. If a service is covered by one or more
36 individual or group health insurance policies, all insurers covering the insured have the
37 responsibility to pay valid health care claims in a timely manner according to the terms and
38 limits specified in the policies.
39 (3) A health care provider may:
40 (a) except as provided in Section 31A-22-610.1, bill and collect for any deductible,
41 copayment, or uncovered service; and
42 (b) bill an insured for services covered by health insurance policies or otherwise notify
43 the insured of the expenses covered by the policies.
44 (4) (a) Except as provided in [~~Subsection~~] Subsections (4)(c) and (d), a health care
45 provider may not make any report to a credit bureau or use the services of a collection agency
46 unless the health care provider:
47 (i) (A) after the expiration of the time afforded to an insurer under Section
48 31A-26-301.6 to determine the insurer's obligation to pay or deny the claim without penalty,
49 sends a notice described in Subsection (4)(b) to the insured by certified mail with return receipt
50 requested, priority mail, or text message; and
51 (B) makes the report to a credit bureau or uses the services of a collection agency after
52 the date stated in the notice in accordance with Subsection (4)(b)(ii)(A); or
53 (ii) (A) in the case of a Medicare beneficiary or retiree 65 years of age or older, after
54 the date Medicare determines Medicare's liability for the claim, sends a notice described in
55 Subsection (4)(b) to the insured by certified mail with return receipt requested, priority mail, or
56 text message; and
57 (B) makes the report to a credit bureau or uses the services of a collection agency after
58 the date stated in the notice in accordance with Subsection (4)(b)(ii)(B).

59 (b) A notice described in Subsection (4)(a) shall state:
60 (i) the amount that the insured owes;
61 (ii) the date by which the insured must pay the amount owed that is:
62 (A) at least 45 days after the day on which the health care provider sends the notice; or
63 (B) if the insured is a Medicare beneficiary or retiree 65 years of age or older, at least
64 60 days after the day on which the health care provider sends the notice;
65 (iii) that if the insured fails to timely pay the amount owed, the health care provider
66 may make a report to a credit bureau or use the services of a collection agency; and
67 (iv) that each action described in Subsection (4)(b)(iii) may negatively impact the
68 insured's credit score.
69 (c) A health care provider satisfies the requirements described in Subsections (4)(a)
70 and (b) if the health care provider complies with the provisions of 26 C.F.R. Sec. 1.501(r)-6.
71 (d) (i) A health care provider may contract with a collection agency to perform the
72 notice requirements described in Subsections (4)(a) and (b).
73 (ii) A health care provider that contracts with a collection agency to perform the notice
74 requirements described in Subsections (4)(a) and (b) is responsible for ensuring that the
75 collection agency acts in accordance with Subsections (4)(a) and (b).
76 (5) Beginning October 31, 1992, all insurers covering the insured shall notify the
77 insured of payment and the amount of payment made to the health care provider.
78 (6) A health care provider shall return to an insured any amount the insured overpaid,
79 including interest that begins accruing 90 days after the date of the overpayment, if:
80 (a) the insured has multiple insurers with whom the health care provider has contracts
81 that cover the insured; and
82 (b) the health care provider becomes aware that the health care provider has received,
83 for any reason, payment for a claim in an amount greater than the health care provider's
84 contracted rate allows.
85 (7) The commissioner shall make rules consistent with this chapter governing
86 disclosure to the insured of customary charges by health care providers on the explanation of
87 benefits as part of the claims payment process. These rules shall be limited to the form and
88 content of the disclosures on the explanation of benefits, and shall include:
89 (a) a requirement that the method of determination of any specifically referenced

90 customary charges and the range of the customary charges be disclosed; and
91 (b) a prohibition against an implication that the health care provider is charging
92 excessively if the health care provider is:
93 (i) a participating provider; and
94 (ii) prohibited from balance billing.

Legislative Review Note
Office of Legislative Research and General Counsel