MEDICAL BILLING AMENDMENTS
2022 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Mike Winder
Senate Sponsor: Luz Escamilla
LONG TITLE
General Description:
This bill limits when a health care provider may seek payment for a medical service or
procedure from an individual or a health benefit plan.
Highlighted Provisions:
This bill:
 prohibits a health care provider from seeking payment for a medical service or
procedure from an individual or health benefit plan under certain circumstances;
and
 makes technical changes.
Money Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
AMENDS:
13-11-4, as last amended by Laws of Utah 2021, Chapters 138 and 154
31A-26-301.5, as last amended by Laws of Utah 2018, Chapter 203
ENACTS:
13-59-202, Utah Code Annotated 1953

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28	Be it enacted by the Legislature of the state of Utah:
29	Section 1. Section 13-11-4 is amended to read:
30	13-11-4. Deceptive act or practice by supplier.
31	(1) A deceptive act or practice by a supplier in connection with a consumer transaction
32	violates this chapter whether it occurs before, during, or after the transaction.
33	(2) Without limiting the scope of Subsection (1), a supplier commits a deceptive act or
34	practice if the supplier knowingly or intentionally:
35	(a) indicates that the subject of a consumer transaction has sponsorship, approval,
36	performance characteristics, accessories, uses, or benefits, if [it has not] the subject of the
37	consumer transaction does not;
38	(b) indicates that the subject of a consumer transaction is of a particular standard,
39	quality, grade, style, or model, if [it is not] the subject of the consumer transaction is not;
40	(c) indicates that the subject of a consumer transaction:
41	(i) is new[;] or unused, if [it is not, or] the subject of the consumer transaction is not; or
42	(ii) has been used to an extent that is materially different from [the fact] the extent to
43	which the subject of the consumer transaction has actually been used;
44	(d) indicates that the subject of a consumer transaction is available to the consumer for
45	a reason that does not exist, including any of the following reasons falsely used in an
46	advertisement:
47	(i) "going out of business";
48	(ii) "bankruptcy sale";
49	(iii) "lost our lease";
50	(iv) "building coming down";
51	(v) "forced out of business";
52	(vi) "final days";
53	(vii) "liquidation sale";
54	(viii) "fire sale";
55	(ix) "quitting business"; or
56	(x) an expression similar to any of the expressions in Subsections $(2)(d)(i)$ through
57	(ix);
58	(e) indicates that the subject of a consumer transaction has been supplied in accordance

01-10-22 12:44 PM 59 with a previous representation, if [it] the subject of the consumer transaction has not; 60 (f) indicates that the subject of a consumer transaction will be supplied in greater 61 quantity than the supplier intends; (g) indicates that replacement or repair is needed, if [it] replacement or repair is not 62 63 needed; (h) indicates that a specific price advantage exists, if [it] the specific price advantage 64 65 does not exist; 66 (i) indicates that the supplier has a sponsorship, approval, or affiliation the supplier 67 does not have: 68 (i) (i) indicates that a consumer transaction involves or does not involve a warranty, a 69 disclaimer of warranties, particular warranty terms, or other rights, remedies, or obligations, if 70 the representation is false; or 71 (ii) fails to honor a warranty or a particular warranty term; (k) indicates that the consumer will receive a rebate, discount, or other benefit as an 72 73 inducement for entering into a consumer transaction in return for giving the supplier the names 74 of prospective consumers or otherwise helping the supplier to enter into other consumer 75 transactions, if receipt of the benefit is contingent on an event occurring after the consumer 76 enters into the transaction: 77 (1) after receipt of payment for goods or services, fails to ship the goods or furnish the services within the time advertised or otherwise represented or, if no specific time is advertised 78 79 or represented, fails to ship the goods or furnish the services within 30 days, unless within the 80 applicable time period the supplier provides the buyer with the option to: 81 (i) cancel the sales agreement and receive a refund of all previous payments to the 82 supplier if the refund is mailed or delivered to the buyer within 10 business days after the day 83 on which the seller receives written notification from the buyer of the buyer's intent to cancel 84 the sales agreement and receive the refund; or 85 (ii) extend the shipping date to a specific date proposed by the supplier; (m) except as provided in Subsection (3)(b), fails to furnish a notice meeting the 86 87 requirements of Subsection (3)(a) of the purchaser's right to cancel a direct solicitation sale 88 within three business days of the time of purchase if: 89 (i) the sale is made other than at the supplier's established place of business pursuant to - 3 -

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the supplier's personal contact, whether through mail, electronic mail, facsimile transmission, telephone, or any other form of direct solicitation; and (ii) the sale price exceeds \$25; (n) promotes, offers, or grants participation in a pyramid scheme as defined under Title 76, Chapter 6a, Pyramid Scheme Act; (o) represents that the funds or property conveyed in response to a charitable solicitation will be donated or used for a particular purpose or will be donated to or used by a particular organization, if the representation is false: (p) if a consumer indicates the consumer's intention of making a claim for a motor vehicle repair against the consumer's motor vehicle insurance policy: (i) commences the repair without first giving the consumer oral and written notice of: (A) the total estimated cost of the repair; and (B) the total dollar amount the consumer is responsible to pay for the repair, which dollar amount may not exceed the applicable deductible or other copay arrangement in the consumer's insurance policy; or (ii) requests or collects from a consumer an amount that exceeds the dollar amount a consumer was initially told the consumer was responsible to pay as an insurance deductible or other copay arrangement for a motor vehicle repair under Subsection (2)(p)(i), even if that amount is less than the full amount the motor vehicle insurance policy requires the insured to pay as a deductible or other copay arrangement, unless: (A) the consumer's insurance company denies that coverage exists for the repair, in which case, the full amount of the repair may be charged and collected from the consumer; or (B) the consumer misstates, before the repair is commenced, the amount of money the insurance policy requires the consumer to pay as a deductible or other copay arrangement, in which case, the supplier may charge and collect from the consumer an amount that does not exceed the amount the insurance policy requires the consumer to pay as a deductible or other copay arrangement; (q) includes in any contract, receipt, or other written documentation of a consumer transaction, or any addendum to any contract, receipt, or other written documentation of a consumer transaction, any confession of judgment or any waiver of any of the rights to which a consumer is entitled under this chapter;

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121 (r) charges a consumer for a consumer transaction or a portion of a consumer 122 transaction that has not previously been agreed to by the consumer; 123 (s) solicits or enters into a consumer transaction with a person who lacks the mental 124 ability to comprehend the nature and consequences of: 125 (i) the consumer transaction; or 126 (ii) the person's ability to benefit from the consumer transaction; 127 (t) solicits for the sale of a product or service by providing a consumer with an 128 unsolicited check or negotiable instrument the presentment or negotiation of which obligates 129 the consumer to purchase a product or service, unless the supplier is: 130 (i) a depository institution under Section 7-1-103; 131 (ii) an affiliate of a depository institution; or 132 (iii) an entity regulated under Title 7, Financial Institutions Act; 133 (u) sends an unsolicited mailing to a person that appears to be a billing, statement, or 134 request for payment for a product or service the person has not ordered or used, or that implies 135 that the mailing requests payment for an ongoing product or service the person has not received 136 or requested; 137 (v) issues a gift certificate, instrument, or other record in exchange for payment to 138 provide the bearer, upon presentation, goods or services in a specified amount without printing 139 in a readable manner on the gift certificate, instrument, packaging, or record any expiration 140 date or information concerning a fee to be charged and deducted from the balance of the gift 141 certificate, instrument, or other record; 142 (w) misrepresents the geographical origin or location of the supplier's business; 143 (x) fails to comply with the restrictions of Section 15-10-201 on automatic renewal 144 provisions; 145 (y) violates Section 13-59-201 or Section 13-59-202; or 146 (z) fails to comply with the restrictions of Subsection 13-54-202(2). 147 (3) (a) The notice required by Subsection (2)(m) shall: 148 (i) be a conspicuous statement written in dark bold with at least 12-point type on the 149 first page of the purchase documentation; and 150 (ii) read as follows: "YOU, THE BUYER, MAY CANCEL THIS CONTRACT AT 151 ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY (or time period

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152	reflecting the supplier's cancellation policy but not less than three business days) AFTER THE
153	DATE OF THE TRANSACTION OR RECEIPT OF THE PRODUCT, WHICHEVER IS
154	LATER."
155	(b) A supplier is exempt from the requirements of Subsection (2)(m) if the supplier's
156	cancellation policy:
157	(i) is communicated to the buyer; and
158	(ii) offers greater rights to the buyer than Subsection (2)(m).
159	(4) (a) A gift certificate, instrument, or other record that does not print an expiration
160	date in accordance with Subsection (2)(v) does not expire.
161	(b) A gift certificate, instrument, or other record that does not include printed
162	information concerning a fee to be charged and deducted from the balance of the gift
163	certificate, instrument, or other record is not subject to the charging and deduction of the fee.
164	(c) Subsections (2)(v) and (4)(b) do not apply to a gift certificate, instrument, or other
165	record useable at multiple, unaffiliated sellers of goods or services if an expiration date is
166	printed on the gift certificate, instrument, or other record.
167	Section 2. Section 13-59-202 is enacted to read:
168	<u>13-59-202.</u> Consumer medical billing safe harbor.
169	(1) As used in this section:
170	(a) "Billing period" means the period between the day on which $\hat{H} \rightarrow [a \text{ patient receives } a]$
171	<u>service or procedure</u>] a patient's service or procedure is completed $\leftarrow \hat{H}$ and the day that is 90
171a	days after the day on which $\hat{H} \rightarrow [$ <u>the patient receives the</u>
172	service or procedure] the patient's service or procedure is completed $\leftarrow \hat{H}$.
173	(b) "Insured patient" means a patient for whom a responsible party has provided proof
174	of coverage under a health benefit plan.
175	(c) "Patient" means an individual receiving the service or procedure.
176	(d) "Responsible party" means:
177	(i) the patient;
178	(ii) if the patient is a minor, the minor's parent or guardian; or
179	(iii) another individual designated by the patient.
180	(2) (a) For an insured patient, a health care provider or the health care provider's
181	representative may not, after the billing period expires:
182	(i) file a claim for the service or procedure with the patient's health benefit plan; or

183	(ii) attempt to collect payment for the service or procedure.
184	(b) Subsection (2)(a) does not apply if a health care provider can show the health care
185	provider or the health care provider's representative filed a claim with $\hat{H} \rightarrow [$ <u>the patient's health</u>
186	<u>benefit plan</u>] any health benefit plan on record with the health care provider $\leftarrow \hat{H}$ within the
186a	billing period.
187	(3) (a) For a patient who is not an insured patient, a health care provider or the health
188	care provider's representative may not attempt to collect payment for the service or procedure
189	after the billing period expires.
190	(b) Subsection (3)(a) does not apply if a health care provider can show the health care
191	provider or the health care provider's representative sent a bill to the responsible party's last
192	known mailing or email address within the billing period.
192a	$\hat{H} \rightarrow$ (4) This section does not apply to any claim submitted to or by the state Medicaid
192b	<u>program.</u> ←Ĥ
193	Section 3. Section 31A-26-301.5 is amended to read:
194	31A-26-301.5. Health care claims practices.
195	(1) (a) Except as provided in Section 31A-8-407, an insured retains ultimate
196	responsibility for paying for health care services the insured receives.
197	(b) If a health care service is covered by one or more individual or group health
198	insurance policies, all insurers covering the insured have the responsibility to pay valid health
199	care claims in a timely manner according to the terms and limits specified in the policies.
200	(2) [A] Subject to Section 13-59-202 and Section 31A-22-610.1, a health care provider
201	may:
202	[(a) except as provided in Section 31A-22-610.1,]
203	(a) bill and collect for any deductible, copayment, or uncovered service; and
204	(b) bill an insured for services covered by health insurance policies or otherwise notify
205	the insured of the expenses covered by the policies.
206	(3) [Beginning October 31, 1992, all] <u>All</u> insurers covering the insured shall notify the
207	insured of payment and the amount of payment made to the health care provider.
208	(4) A health care provider shall return to an insured any amount the insured overpaid,
209	including interest that begins accruing 90 days after the date of the overpayment, if:
210	(a) the insured has multiple insurers with whom the health care provider has contracts
211	that cover the insured; and
212	(b) the health care provider becomes aware that the health care provider has received,
213	for any reason, payment for a claim in an amount greater than the health care provider's

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contracted rate allows.

- (5) (a) 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.
- (b) These rules shall be limited to the form and content of the disclosures on theexplanation of benefits, and shall include:
- (i) a requirement that the method of determination of any specifically referencedcustomary charges and the range of the customary charges be disclosed; and
- (ii) a prohibition against an implication that the health care provider is chargingexcessively if the health care provider is:
- 224 (A) a participating provider; and
- 225 (B) prohibited from balance billing.