# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3042 **DATE:** March 17, 2010
**Version:** First engrossment

**Authors:** Murphy, E.

**Subject:** Contracts between health care providers and health plan companies

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### Overview

This bill adds to existing laws that regulate contracts ("provider agreements") between health plan companies and participating health care providers. All sections are effective January 1, 2011.

Section

**1** **Contract amendment and renewal provisions.** Prohibits a health plan company from requiring a provider to give notice of termination of the provider agreement before communicating with the provider regarding renewal of the provider agreement. Prohibits a health plan company from communicating with its enrollees about a possible provider termination. Prohibits a health plan company from excluding a nonnetwork provider from future network contracts solely because the provider terminated its participation as the contract permitted.

**2** **Fee schedules.** Requires a health plan company to provide information about any additional fees relevant to a provider's practice for the next contract year to the provider relating to a renewal contract.

**3** **Reimbursement tiering methodologies.** If a health plan company categorizes providers into tiers that affect their reimbursement rates, the health plan company must provide the providers with detailed information on the methodology used and must tell the provider which tier the provider is in before renewal.

**4** **Claims filing.** This section deals with an existing law regarding the deadline (usually six months) by which a health plan company, worker's compensation insurance company, or auto insurance company may require a provider to submit claims for reimbursement. This section adds a requirement regarding the time frame within which a health plan company must act upon a request by a provider for an extension beyond the six months limit.

**5** **Claims adjustment deadline.** Requires provider agreements to provide that once a "clean claim" (no apparent defect) has been paid, any adjustment or recoupment of payment on it must be made no later than 12 months after payment.