

**SENATE . . . . . No. 643**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Barry R. Finegold***

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to uncollected co-pays, co-insurance and deductibles.

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PETITION OF:

NAME:

*Barry R. Finegold*

DISTRICT/ADDRESS:

*Second Essex and Middlesex*

**SENATE . . . . . No. 643**

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By Mr. Finegold, a petition (accompanied by bill, Senate, No. 643) of Barry R. Finegold for legislation to require certain healthcare carriers to share accountability with providers for uncollectible patient obligations after insurance. Financial Services.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 670 OF 2021-2022.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
\_\_\_\_\_

An Act relative to uncollected co-pays, co-insurance and deductibles.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Chapter 176O of the General Laws is hereby amended by inserting after  
2 section 7 the following new section:-

3           Section 7A. Equitable Funding for Health Care Provider Bad Debt

4           (a) Notwithstanding any other provision of the general laws to the contrary, a carrier shall  
5 reimburse a health care provider no less than sixty-five percent (65%) of each co-payment, co-  
6 insurance and/or deductible amount due under an insured’s health benefit plan which are unpaid  
7 after reasonable collection efforts have been made by the health care provider pursuant to  
8 subsection (c) of this section.

9 (b) As used in this section, the following words shall have the following meanings: a “co-  
10 payment” is defined as a fixed dollar amount that is owed by an insured as required under a  
11 health benefit plan for health care services provided and billed by a healthcare provider. A “co-  
12 insurance” is defined as a percentage of the allowed amount, after a co-payment, if any, that an  
13 insured must pay for covered services received under a health benefit plan for health care  
14 services provided and billed by a healthcare provider. A “deductible” is defined as a specific  
15 dollar amount that an insured must pay for covered services before the carrier’s health benefit  
16 plan becomes obligated to pay for covered health care services provided and billed by a  
17 healthcare provider; provided, however, that “deductible” does not include any portion of  
18 premiums paid by an insured.

19 (c) Reimbursement for uncollected co-payment, co-insurance and/or deductible amounts  
20 due (each a “claim”) under an insured’s health benefit plan for covered services rendered shall be  
21 deemed an uncollectible bad debt, and a health care provider may submit a request for  
22 reimbursement to the carrier under the following conditions:

23 (1) The claim must be derived from the wholly or partially uncollected co-payment, co-  
24 insurance and/or deductible amounts under an insured’s health benefit plan;

25 (2) The reimbursement requested by the health care provider should be for a claim where  
26 the co-payment, co-insurance, or deductible amount was at least two hundred and fifty dollars  
27 (\$250), and each claim reflected a unique covered service under the health benefit plan per  
28 insured;

29 (3) The health care provider must have made reasonable collection efforts for each claim  
30 filed for reimbursement under this section, such efforts including documentation that the claim

31 has remained partially or fully unpaid and is not subject to an on-going payment plan for more  
32 than one hundred twenty (120) days from the date the first bill was mailed; provided, however,  
33 that such efforts may include telephone calls, collection letters, or any other notification method  
34 that constitutes a genuine and continuous effort to contact the member; and provided further, that  
35 such documentation shall include the date and method of contact;

36 (4) On or before May 1 of each year, the health care provider shall submit an aggregate  
37 request for reimbursement representing all claims that meet the criteria under this section in the  
38 prior calendar year. The request for reimbursement shall include documentation of the attempt to  
39 collect on the claim(s), the name and identification number of the insured, the date of service, the  
40 unpaid co-payment, co-insurance, or deductible, the amount that was collected, if any, and the  
41 date and general method of contact with the insured. For the purposes of this section, an insured  
42 co-payment, co-insurance, and/or deductible amount due shall be determined based on the date  
43 that the service is rendered; provided, however, that a carrier shall not prohibit reimbursement if  
44 the insured is no longer covered by the plan on the date that the request is made.

45 (5) Nothing in this section shall prevent the carrier from conducting an audit of the  
46 request for reimbursement of unpaid co-payment, co-insurance, and/or deductible amounts to  
47 verify that the insured was eligible for coverage at the time of service, that the service was a  
48 covered health benefit under the applicable health benefit plan, and to verify from the provider's  
49 internal log that reasonable efforts were made to contact the insured following the criteria  
50 outlined in this section. The carrier must complete any such audit of the submitted report from  
51 the health care provider and notify the health care provider of any disputes as to the request for  
52 reimbursement within one hundred and twenty (120) days of receipt of the request for  
53 reimbursement from the health care provider. The carrier shall pay the health care provider sixty-

54 five percent (65%) of the undisputed amounts as submitted by the health care provider in the  
55 request for reimbursement in accordance with this section within 120 days of receipt of such  
56 requests from the health care provider. Any dispute regarding contested claims shall be subject to  
57 a dispute resolution process applicable to the arrangement between the carrier and the health care  
58 provider; and

59 (6) Any amounts attributable to co-payment, co-insurance, or deductible amount  
60 collected by a health care provider after reimbursement has been made by the carrier pursuant to  
61 this section shall be recorded by the health care provider and reported as an offset to future  
62 submissions to such carrier.

63 (d) No carrier shall prohibit a health care provider from collecting the amount of the  
64 insured's co-payment, co-insurance, and/or deductible, if any, at the time of service.

65 SECTION 2. The division shall promulgate regulations within ninety (90) days of the  
66 effective date of this act that are consistent with the rules developed by the Centers for Medicare  
67 & Medicaid Services for reasonable collection efforts required by a health care provider prior to  
68 submission of a request of reimbursement to a carrier. Notwithstanding the foregoing, in the  
69 event that the division fails to promulgate such regulations, the provisions of section 1 shall be  
70 self-implementing, and carriers shall make applicable payments to health care providers in  
71 accordance with the provisions of section 1 utilizing the same process adopted by the Centers for  
72 Medicare & Medicaid Services' reasonable collection efforts for bad debt, as documented in the  
73 most recent Medicare Provider Reimbursement Manual, CMS Pub. 15-1 and 15-2 (HIM-15) in  
74 effect within 90 days of the effective date of this Act. The division shall further require each  
75 carrier to provide the division an annual report showing the total number and amount of

76 uncollected co-payments, co-insurances, and deductibles that are reimbursed as well as those that  
77 are denied. The report shall be made publicly available on the division's website.