

SENATE No. 496

The Commonwealth of Massachusetts

PRESENTED BY:

Benjamin B. Downing

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

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Benjamin B. Downing</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>

SENATE No. 496

By Mr. Downing, a petition (accompanied by bill, Senate, No. 496) of Benjamin B. Downing and Marjorie C. Decker for legislation relative to uncollected co-pays, co-insurance and deductibles. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act to 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. Section 110B of Chapter 175 of the General Laws is hereby amended by
2 inserting the following clause:

3 Notwithstanding any general or special law to the contrary, as used in this chapter, the
4 following words shall, unless the context clearly requires otherwise, have the following
5 meanings:-

6 “Co-payment” means a fixed dollar amount collected from an insured as required under a
7 health benefit plan.

8 “Co-insurance” means a percentage of the allowed amount, after a co-payment, if any,
9 that an insured must pay for covered services received under a health benefit plan.

10 “Deductible” is defined as a specific dollar amount that an insured must pay for covered
11 services before the carrier’s health benefit plan becomes obligated to pay for covered services;
12 such deductible does not include any portion of premiums paid by an insured.

13 (a) A carrier shall reimburse a health care provider no less than 65 percent of each co-
14 payment, co-insurance or deductible amount due under an insured’s health benefit plan that
15 remains unpaid under the following conditions: (1) The wholly or partially uncollected co-
16 payment, co-insurance or deductible:

- 17 i. Equals or exceeds an amount of \$250;
- 18 ii. Reflects a unique covered service under the health benefit plan per insured;
- 19 iii. Is fully documented as unpaid and not subject to an on-going payment plan for more
20 than 120 days from the date the first bill was mailed;
- 21 iv. Has been subject to a reasonable effort at collection by the health care provider
22 through such means as telephone calls, collection letters, or any other notification method that
23 constitutes a genuine and continuous effort to contact the member.

24 (b) On or before May 1 of each year, the health care provider shall submit an aggregate
25 request for reimbursement representing all uncollected co-payments, co-insurance or deductibles
26 under this section in the prior calendar year. The request for reimbursement shall include
27 documentation of the attempt to collect, the name and identification number of the insured, the
28 date of service, the unpaid co-payment, co-insurance, or deductible, the amount collected, if any,
29 and the date and general method of contact with the insured. For the purposes of this section, an
30 insured co-payment, co-insurance, and or deductible amount due shall be determined based on

31 the date that the service is rendered; provided further that a carrier shall not prohibit
32 reimbursement if the insured is no longer covered by the plan on the date that the request is
33 made.

34 SECTION 2. The division shall promulgate regulations within 90 days of the effective
35 date of this act that are consistent with the rules developed by the Centers for Medicare &
36 Medicaid Services and the Health Safety Net for reasonable collection efforts required by a
37 health care provider prior to submission of a request for reimbursement to a carrier.
38 Notwithstanding the foregoing, in the event that that the division fails to promulgate such
39 regulations, the provisions of Section 1 shall be self-implementing, and carriers shall make
40 applicable payments to health care providers in accordance with the provisions of section 1
41 utilizing the same process adopted by the Centers for Medicare and Medicaid Services’
42 reasonable collection efforts for unpaid co-payments, co-insurance or deductibles, as
43 documented in the most recent Medicare Provider Reimbursement Manual, CMS Pub. 15-1 and
44 15-2 (HIM-15) in effect within 90 days of the effective date of this Act. The division shall
45 further require each carrier to provide the division an annual report showing the total number and
46 amount of uncollected co-payments, co-insurances, and deductibles that are reimbursed as well
47 as those that are denied. The report shall be made publicly on the division’s website.