

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 368d as follows:

6 (215 ILCS 5/368d)

7 Sec. 368d. Recoupments.

8 (a) A health care professional or health care provider
9 shall be provided a remittance advice, which must include an
10 explanation of a recoupment or offset taken by an insurer,
11 health maintenance organization, independent practice
12 association, or physician hospital organization, if any. The
13 recoupment explanation shall, at a minimum, include the name
14 of the patient; the date of service; the service code or if no
15 service code is available a service description; the
16 recoupment amount; and the reason for the recoupment or
17 offset. In addition, an insurer, health maintenance
18 organization, independent practice association, or physician
19 hospital organization shall provide with the remittance
20 advice, or with any demand for recoupment or offset, a
21 telephone number or mailing address to initiate an appeal of
22 the recoupment or offset together with the deadline for
23 initiating an appeal. Such information shall be prominently

1 displayed on the remittance advice or written document
2 containing the demand for recoupment or offset. Any appeal of
3 a recoupment or offset by a health care professional or health
4 care provider must be made within 60 days after receipt of the
5 remittance advice.

6 (b) It is not a recoupment when a health care professional
7 or health care provider is paid an amount prospectively or
8 concurrently under a contract with an insurer, health
9 maintenance organization, independent practice association, or
10 physician hospital organization that requires a retrospective
11 reconciliation based upon specific conditions outlined in the
12 contract.

13 (c) No recoupment or offset may be requested or withheld
14 from future payments 12 months or more after the original
15 payment is made, except in cases in which:

16 (1) a court, government administrative agency, other
17 tribunal, or independent third-party arbitrator makes or
18 has made a formal finding of fraud or material
19 misrepresentation;

20 (2) an insurer is acting as a plan administrator for
21 the Comprehensive Health Insurance Plan under the
22 Comprehensive Health Insurance Plan Act;

23 (3) the provider has already been paid in full by any
24 other payer, third party, or workers' compensation
25 insurer; or

26 (4) an insurer contracted with the Department of

1 Healthcare and Family Services is required by the
2 Department of Healthcare and Family Services to recoup or
3 offset payments due to a federal Medicaid requirement.

4 No contract between an insurer and a health care professional
5 or health care provider may provide for recoupments in
6 violation of this Section. Nothing in this Section shall be
7 construed to preclude insurers, health maintenance
8 organizations, independent practice associations, or physician
9 hospital organizations from resolving coordination of benefits
10 between or among each other, including, but not limited to,
11 resolution of workers' compensation and third-party liability
12 cases, without recouping payment from the provider beyond the
13 12-month ~~18-month~~ time limit provided in this subsection (c).

14 (Source: P.A. 102-632, eff. 1-1-22.)

15 Section 99. Effective date. This Act takes effect January
16 1, 2026.