



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4820**

by Rep. Laura Fine

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/368d  
305 ILCS 5/12-4.25d new

Amends the Accident and Health Insurance Article of the Illinois Insurance Code. Provides that remittance advice for recoupment may not reject a Current Procedural Terminology code without clear explanation of the reasons. Requires remittance advice to provide for payment for all services provided, including when more than one procedure is performed in one day. Requires that a recoupment or offset be requested or withheld from future payments within 60 days (rather than 18 months) of the original payment, unless one of the specific exceptions applies. Amends the Illinois Public Aid Code. Allows the Department of Healthcare and Family Services to recover money improperly or erroneously paid, or overpayments, within 60 days of any payment.

LRB100 17309 SMS 32470 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 of  
14 the patient; the date of service; the service code or if no  
15 service code is available a service description; the recoupment  
16 amount; and the reason for the recoupment or offset. In  
17 addition, an insurer, health maintenance organization,  
18 independent practice association, or physician hospital  
19 organization shall provide with the remittance advice, or with  
20 any demand for recoupment or offset, a telephone number or  
21 mailing address to initiate an appeal of the recoupment or  
22 offset together with the deadline for initiating an appeal.  
23 Such information shall be prominently displayed on the

1 remittance advice or written document containing the demand for  
2 recoupment or offset. Any appeal of a recoupment or offset by a  
3 health care professional or health care provider must be made  
4 within 60 days after receipt of the remittance advice. In  
5 addition, remittance advice may not reject a Current Procedural  
6 Terminology code without clear explanation of the reason.  
7 Remittance advice must provide for payment for all services  
8 provided, including when more than one procedure is performed  
9 in one day.

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

17 (c) No recoupment or offset may be requested or withheld  
18 from future payments 60 days ~~18 months~~ or more after the  
19 original payment is made, except in cases in which:

20 (1) a court, government administrative agency, other  
21 tribunal, or independent third-party arbitrator makes or  
22 has made a formal finding of fraud or material  
23 misrepresentation;

24 (2) an insurer is acting as a plan administrator for  
25 the Comprehensive Health Insurance Plan under the  
26 Comprehensive Health Insurance Plan Act; or

1 (3) the provider has already been paid in full by any  
2 other payer, third party, or workers' compensation  
3 insurer.

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 60-day 18-month time limit provided in this subsection (c).

14 (Source: P.A. 97-556, eff. 1-1-12.)

15 Section 10. The Illinois Public Aid Code is amended by  
16 adding Section 12-4.25d as follows:

17 (305 ILCS 5/12-4.25d new)

18 Sec. 12-4.25d. Recoupments. For payments made under this  
19 Code, the Department of Healthcare and Family Services may  
20 recover money improperly or erroneously paid, or overpayments,  
21 either by setoff, crediting against future billings, or by  
22 requiring direct repayment to the Department of Healthcare and  
23 Family Services only within 60 days of any payment.