

ALASKA STATE LEGISLATURE

Session

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Chairman

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REPRESENTATIVE JASON GRENN

SPONSOR STATEMENT

House Bill 313

Insurance Recoupment

House Bill 313 would implement a statute of limitations of 18 months on health insurance companies to recoup mistakenly paid amounts from health care providers in Alaska. A common practice of many health insurance companies is to perform an audit to make sure the claims paid to them were accurate, a practice that any business trying to become more efficient would perform. In cases where additional payment is owed by the health care provider, those costs are often directly passed onto the patient. Currently in Alaska, there is no time limit by which this retroactive true-up must occur, keeping both providers and patients on the hook for an indefinite amount of time.

With 32 states having implemented a statute of limitations for insurance companies to retroactively recoup indemnities from health care providers, this practice has precedent and serves as a best practice standard across the country.

Without a statute of limitation in this area, there exists an inherent liability that can be passed on to any Alaskan, at essentially any time. HB 313 not only focuses on the efficiency of health insurance providers, but most importantly, on consumer protection. By implementing a simple timeline on the practice of insurance recoupment, HB 313 ensures an unexpected financial burden may not be passed onto patients years after their visit to the doctor.

To account for special circumstances, HB 313 provides exceptions to the 18-month limitation in instances of: fraudulently submitted claims, duplicate claims, instances of misrepresented or wrongly identified services by the health care provider, claims subject to adjustment by another health care insurer, and any payments or claims that are the subject of legal action.

By encouraging efficiency of health insurers, predictability for providers, and protection for patients, House Bill 313 serves as a simple fix to a large risk that resides in current statute surrounding our health billing structure. I humbly ask for your support of this common-sense legislation.