

1 HB304  
2 115640-1  
3 By Representative Johnson  
4 RFD: Health  
5 First Read: 19-JAN-10

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8 SYNOPSIS: This bill would require a health insurance  
9 company or other health benefit plan to reimburse a  
10 health care provider for certain costs related to  
11 desk audits of health insurance claims when files  
12 and documentation concerning claims are required to  
13 be forwarded to the health insurance company for  
14 the convenience of the company.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 Relating to health insurance and health benefit  
21 plans; to provide for the reimbursement of health care  
22 providers for certain costs relating to desk audits conducted  
23 for the convenience of the health insurance company or health  
24 benefit plan.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Definitions.

1           As used in this act, the following words have the  
2 following meanings:

3           (1) DESK AUDIT. An audit by a health benefit plan of  
4 any claims submitted by a health care provider generally  
5 conducted on the premises of the health benefit plan through  
6 the review of records and files of the health care provider.  
7 The term does not include any information sought concerning  
8 the initial submission of a claim, including appeals related  
9 thereto.

10           (2) HEALTH BENEFIT PLAN. Any individual or group  
11 plan, employee welfare benefit plan, policy, or contract for  
12 health care services issued, delivered, issued for delivery,  
13 or renewed in this state by a health care insurer, health  
14 maintenance organization, accident and sickness insurer,  
15 fraternal benefit society, nonprofit hospital service  
16 corporation, nonprofit medical service corporation, health  
17 care service plan, or any other person, firm, corporation,  
18 joint venture, or other similar business entity that pays for  
19 insureds or beneficiaries in this state. The term includes,  
20 but is not limited to, entities created pursuant to Article 6  
21 of Chapter 4 of Title 10. A health benefit plan located or  
22 domiciled outside of the State of Alabama is deemed to be  
23 subject to this chapter if it receives, processes,  
24 adjudicates, pays, or denies claims for health care services  
25 submitted by or on behalf of patients, insureds, or  
26 beneficiaries who reside in Alabama. Provided, however, the  
27 term shall not include accident-only, specified disease,

1 hospital indemnity, Medicare supplement, long-term care,  
2 disability income, or other limited benefit health insurance  
3 policies.

4 Section 2. Any health benefit plan which conducts a  
5 desk audit of any claims submitted by a health care provider  
6 shall be responsible for any costs related to the audit,  
7 including, but not limited to, direct and indirect costs of  
8 providing records and files and other documentation to the  
9 health benefit plan at a location selected by the health  
10 benefit plan for the convenience of the health benefit plan.

11 Section 3. This act shall become effective  
12 immediately following its passage and approval by the  
13 Governor, or its otherwise becoming law.