

1 AN ACT concerning insurance.

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.

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

12 (c) No recoupment or offset may be requested or withheld
13 from future payments 18 months or more after the original
14 payment is made, except in cases in which a court, government
15 administrative agency, or other tribunal has made a formal
16 adjudication of fraud or misrepresentation or in cases in which
17 an insurer is acting as a plan administrator for the
18 Comprehensive Health Insurance Plan under the Comprehensive
19 Health Insurance Plan Act or, in cases in which the provider
20 has already been paid in full, by any other payer, third party,
21 or workers' compensation insurer. No contract between an
22 insurer and a health care professional or health care provider
23 may provide for recoupments in violation of this Section.
24 Nothing in this Section shall be construed to preclude
25 insurers, health maintenance organizations, independent
26 practice associations, or physician hospital organizations

1 from resolving coordination of benefits between or among each
2 other, including, but not limited to, resolution of workers'
3 compensation and third-party liability cases, without
4 recouping payment from the provider beyond the 18-month time
5 limit provided in this subsection (c).

6 (Source: P.A. 93-261, eff. 1-1-04.)