

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:

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

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

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

25 No contract between an insurer and a health care professional
26 or health care provider may provide for recoupments in

1 violation of this Section. Nothing in this Section shall be
2 construed to preclude insurers, health maintenance
3 organizations, independent practice associations, or physician
4 hospital organizations from resolving coordination of benefits
5 between or among each other, including, but not limited to,
6 resolution of workers' compensation and third-party liability
7 cases, without recouping payment from the provider beyond the
8 18-month time limit provided in this subsection (c).

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