

84th House District

Mercer, Auglaize, Darke, and
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Vice Chair of Primary and
Secondary Education

Agriculture and Rural
Development

Transportation and Public Safety

Susan Manchester
State Representative
Sponsor Testimony HB 691

Thank you, Rep. Plummer and thank you Chairman Brinkman and members of the House Insurance committee for hearing our testimony today.

The final portion of this bill addresses compliance reform. Under current law, if a provider notifies the Department of Insurance that a third party payer is not complying with the requirements as outlined previously by my colleague, then the Department of Insurance or Medicaid Director is able to open an investigation.

These investigations are able to look back over information spanning a six-month period. If the TPP has in fact engaged in a consistent pattern of violating the prompt pay law, then there is a system of penalties put in place. To be clear, the fact that the Department of Insurance and Medicaid are able to review up to six months' worth of information creates an incredibly high standard.

In order to ensure compliance with the Prompt Pay Law and to ensure that the penalties put in place actually match the level of non-compliance, this bill establishes a two tier penalty system.

In the first tier, a provider may argue that an individual claim violates the prompt pay requirements. In this instance, if the Department of Medicaid or Insurance find that the TPP is not compliant, then the TPP is charged a fine equal to 50 percent of the billed charges for every 14 days of non-payment.

In the second tier, a provider may claim that the TPP has committed prompt pay violations in twenty percent or more of that provider's claims. In this instance, if ODM or DOI find this to be true, the penalty is much more severe. Prompt pay violations at a rate of twenty percent or more, would result in a fine equal to 100 percent of the billed charges for every 14 days of non-payment.

While this fine may seem severe, it ensure that habitual non-compliance is punished. This two tier structure ensures that compliance with Prompt Pay Law is maintained for commercial insurance as well as managed care organizations. Under this system, both individual and aggregate claims can be brought to the attention of the state.

Finally, I would like to conclude our testimony with my own personal experience...

Simply stated, HB691 would ensure that bill that should be paid, are paid, and that they are *paid on time*. On the other side, the bill ensure that insurances companies will not be held liable for claims they are not required to cover.

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Thank you for your time and consideration of this important legislation. We would be more than happy to answer any questions at this time.

I know that this issue is quite complex, but Rep. Plummer and I would be happy to answer your questions to the best of our abilities!

Thank you.