

Louis W. Blessing III

State Senator
8th Senate District
1 Capitol Square
Columbus, Ohio 43215
(614) 466-8068



Committees

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Technology

Chair Wilson, Vice-chair Lang, and Ranking Member Craig, I appreciate the opportunity to testify regarding Senate Bill 162. This legislation addresses a significant issue concerning fairness in the healthcare payment process between providers and insurers.

In Ohio, when a medical service is rendered, healthcare providers have a specific period of time mandated by the insurance carrier to submit the medial claim for payment. This time period given to the provider to submit a claim is typically between 90 to 180 days.

However, after the claim is processed and paid to the provider, health insurers have 24 months from the payment date to retroactively deny or recover that payment, a process referred to as an insurance takeback. This takeback typically happens when an insurance company reclaims funds already paid to a provider, often due to audits, coding errors, or other administrative issues. This process has become completely unworkable for health care providers and has made it impossible to balance the finances of a practice due to the instability these takebacks of payments can cause.

Senate Bill 162 aims to create more fairness in this system by implementing two key changes:

1. Reducing the insurer takeback period from 24 months to the same time period an insurer gives a provider to submit a claim., thus creating fairness across the board.
2. Preventing insurers from unilaterally modifying these timeframes during the duration of a provider's contract.

The bill also reinforces contractual fairness by rendering unenforceable any contractual provisions that attempt to override these statutory protections. This measure prevents more powerful contracting parties from imposing terms that undermine the essential safeguards afforded to providers.

This legislation strikes a judicious balance, shielding providers from perpetual financial uncertainty while preserving the ability of payers to rectify genuine overpayments in a timely and transparent manner. Ultimately, this legislation is centered on the principles of stability, fairness, and accountability. Providers will gain confidence in relying on payments received for services rendered, while payers will retain adequate mechanisms to correct errors, albeit within fair and predictable limits.

Chairman Wilson and distinguished members of the financial institution, insurance and technology committee, I firmly believe that this bill represents a pragmatic and balanced advancement for Ohio's healthcare system. It endeavors to reduce unnecessary disputes, mitigate

administrative waste, and strengthen the trust between providers and insurers. I respectfully seek your consideration and support for this legislation, and I welcome any questions that members of this committee might have.