

**As Introduced**

**130th General Assembly  
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**S. B. No. 100**

**Senator Tavares**

**Cosponsors: Senators Cafaro, Brown**

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**A B I L L**

To amend sections 3901.38, 3901.383, and 3901.3814 1  
and to repeal section 5111.178 of the Revised Code 2  
to specify that the Ohio prompt payment law 3  
applies to payment of claims by Medicaid managed 4  
care organizations. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3901.38, 3901.383, and 3901.3814 of 6  
the Revised Code be amended to read as follows: 7

**Sec. 3901.38.** As used in this section and sections 3901.381 8  
to 3901.3814 of the Revised Code: 9

(A) "Beneficiary" means any policyholder, subscriber, member, 10  
employee, or other person who is eligible for benefits under a 11  
benefits contract. 12

(B) "Benefits contract" means a sickness and accident 13  
insurance policy providing hospital, surgical, or medical expense 14  
coverage, or a health insuring corporation contract or other 15  
policy or agreement under which a third-party payer agrees to 16  
reimburse for covered health care or dental services rendered to 17  
beneficiaries, up to the limits and exclusions contained in the 18  
benefits contract. 19

(C) "Hospital" has the same meaning as in section 3727.01 of the Revised Code. 20  
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(D) "Medicaid managed care organization" means a managed care organization that has a contract with the department of job and family services pursuant to section 5111.17 of the Revised Code. 22  
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(E) "Provider" means a hospital, nursing home, physician, podiatrist, dentist, pharmacist, chiropractor, or other health care provider entitled to reimbursement by a third-party payer for services rendered to a beneficiary under a benefits contract. 25  
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~~(E)~~(F) "Reimburse" means indemnify, make payment, or otherwise accept responsibility for payment for health care services rendered to a beneficiary, or arrange for the provision of health care services to a beneficiary. 29  
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~~(F)~~(G) "Third-party payer" means any of the following: 33

(1) An insurance company; 34

(2) A health insuring corporation; 35

(3) A labor organization; 36

(4) An employer; 37

(5) An intermediary organization, as defined in section 1751.01 of the Revised Code, that is not a health delivery network contracting solely with self-insured employers; 38  
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(6) An administrator subject to sections 3959.01 to 3959.16 of the Revised Code; 41  
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(7) A health delivery network, as defined in section 1751.01 of the Revised Code; 43  
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(8) A medicaid managed care organization; 45

(9) Any other person that is obligated pursuant to a benefits contract to reimburse for covered health care services rendered to beneficiaries under such contract. 46  
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**Sec. 3901.383.** (A) A provider and a third-party payer may do 49  
either of the following: 50

(1) Enter into a contractual agreement under which time 51  
periods shorter than those set forth in section 3901.381 of the 52  
Revised Code are applicable to the third-party payer in paying a 53  
claim for any amount due for health care services rendered by the 54  
provider; 55

(2) Enter into a contractual agreement under which the timing 56  
of payments by the third-party payer is not directly related to 57  
the receipt of a claim form. The contractual arrangement may 58  
include periodic interim payment arrangements, capitation payment 59  
arrangements, or other periodic payment arrangements acceptable to 60  
the provider and the third-party payer. Under a capitation payment 61  
arrangement, the third-party payer shall begin paying the 62  
capitated amounts to the beneficiary's primary care provider not 63  
later than sixty days after the date the beneficiary selects or is 64  
assigned to the provider. Under any other contractual periodic 65  
payment arrangement, the contractual agreement shall state, with 66  
specificity, the timing of payments by the third-party payer. 67

~~(B) Regardless of whether a third party payer is exempted 68  
under division (D) of section 3901.3814 from sections 3901.38 and 69  
3901.381 to 3901.3813 of the Revised Code, a A provider and the a 70  
third-party payer, including a third-party payer that provides 71  
coverage under the medicaid program, shall not enter into a 72  
contractual arrangement under which time periods longer than those 73  
provided for in paragraph (c)(1) of 42 C.F.R. 447.46 are 74  
applicable to the third-party payer in paying a claim for any 75  
amount due for health care services rendered by the provider. 76~~

**Sec. 3901.3814.** (A) Sections 3901.38 and 3901.381 to 77  
3901.3813 of the Revised Code do not apply to the following: 78

~~(A)(1)~~ Policies offering coverage that is regulated under 79  
Chapters 3935. and 3937. of the Revised Code; 80

~~(B)(2)~~ An employer's self-insurance plan and any of its 81  
administrators, as defined in section 3959.01 of the Revised Code, 82  
to the extent that federal law supersedes, preempts, prohibits, or 83  
otherwise precludes the application of any provisions of those 84  
sections to the plan and its administrators; 85

~~(C)(3)~~ A third-party payer for coverage provided under the 86  
medicare advantage program operated under Title XVIII of the 87  
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as 88  
amended; 89

~~(D)~~ A third party payer for coverage provided under the 90  
medicaid program operated under Title XIX of the "Social Security 91  
Act," except that if a federal waiver applied for under section 92  
5111.178 of the Revised Code is granted or the director of job and 93  
family services determines that this provision can be implemented 94  
without a waiver, sections 3901.38 and 3901.381 to 3901.3813 of 95  
the Revised Code apply to claims submitted electronically or 96  
non-electronically that are made with respect to coverage of 97  
medicaid recipients by health insuring corporations licensed under 98  
Chapter 1751. of the Revised Code, instead of the prompt payment 99  
requirements of 42 C.F.R. 447.46; 100

~~(E)(4)~~ A third-party payer for coverage provided under the 101  
tricare program offered by the United States department of 102  
defense. 103

(B) The application of sections 3901.38 to 3901.3814 of the 104  
Revised Code to medicaid managed care organizations does not 105  
affect the authority of the department of job and family services 106  
to do either of the following: 107

(1) Act as the single state agency to supervise 108  
administration of the medicaid program, as specified in section 109

<u>5111.01 of the Revised Code;</u>	110
<u>(2) Enter into contracts with managed care organizations</u>	111
<u>under section 5111.17 of the Revised Code.</u>	112
<b>Section 2.</b> That existing sections 3901.38, 3901.383, and	113
3901.3814 and section 5111.178 of the Revised Code are hereby	114
repealed.	115