

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7404
BILL NUMBER: SB 289

DATE PREPARED: Dec 30, 1998
BILL AMENDED:

SUBJECT: Health Insurance Claims Downcoding.

FISCAL ANALYST: Alan Gossard
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill provides that for purposes of analyzing health care service claims, to downcode means to change to a lesser paying code the code used by a provider of a health care service on a claim used to bill an insurer for covered services. The bill allows an administrator or insurer to downcode a claim only if the administrator or insurer notifies the provider and insured of the intent to downcode the claim prior to paying the claim. It also requires the administrator or insurer to provide for an appeal of a downcode by the provider of the health care service.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: