

House File 808 - Introduced

HOUSE FILE 808
BY RINKER

A BILL FOR

- 1 An Act relating to managed care organization chargebacks and
- 2 third-party auditors.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **249A.14 Managed care organizations**
2 **— chargebacks.**

3 1. A managed care organization acting pursuant to a contract
4 with the department to administer the medical assistance program
5 under this chapter shall not issue a chargeback to a provider
6 more than twelve months from the date the managed care
7 organization provided reimbursement to the provider.

8 2. A managed care organization acting pursuant to a contract
9 with the department to administer the medical assistance program
10 under this chapter shall negotiate a fee with a third-party
11 auditor prior to the third-party auditor initiating an audit of
12 a provider on behalf of the managed care organization. A managed
13 care organization shall not base the managed care organization's
14 compensation to a third-party auditor on the percentage of
15 chargebacks identified by the third-party auditor.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill requires a managed care organization (MCO) acting
20 pursuant to a contract with the department of health and human
21 services to administer the medical assistance program to issue a
22 chargeback to a provider within 12 months from the date the MCO
23 provided reimbursement to the provider.

24 The bill requires an MCO to negotiate a fee with a third-party
25 auditor (auditor) prior to the auditor initiating an audit of a
26 provider. An MCO shall not base compensation for an auditor on
27 the percentage of chargebacks identified by the auditor.