AN ACT related to balance billing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS 304.14-500 TO 304.14-550 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "balance bill" means to charge or collect from a Medicare beneficiary an amount in excess of the Medicare reimbursement rate for Medicare covered services or supplies provided to a Medicare beneficiary. "Balance bill" does not include a charge or collection of deductibles or coinsurance required by the program.

(2) As used in this section, "health care provider" has the same meaning as in KRS 304.17A-005.

(3) No health care provider, and no employer or employee of any health care provider, shall balance bill a Medicare beneficiary for any supplies or service in excess of a reasonable charge as determined by the United States Secretary for Health and Human Services, except when Medicare is the secondary insurer. When Medicare is the secondary insurer, the health care provider may pursue full reimbursement under the terms and conditions of the primary coverage and, if applicable, the charge allowed under the terms and conditions of the appropriate provider contract, from the primary insurer, except that the Medicare beneficiary cannot be balance billed above the Medicare reimbursement rate for a Medicare covered service or supply.

(4) The department shall receive complaints alleging violations of subsection (3) of this section, and shall make findings regarding complaints of alleged violations.

(5) The department shall not make findings until the following steps have been completed:

(a) Investigating the complaint and determining that there is a reasonable basis for it;

(b) Giving notice to the health care provider named in the complaint and affording a period of ten (10) days following issuance of the notice during which the person may correct an alleged violation by reimbursing the Medicare beneficiary or crediting the beneficiary's account in an amount specified by the department; and

(c) If the health care provider named in the complaint does not choose to correct the alleged violation, giving the health care provider notice and a reasonable opportunity for an adjudication hearing.

(6) If, after a hearing, the department finds that subsection (3) of this section has been violated, the department may fine the health care provider up to five hundred dollars ($500) for the first offense, and up to one thousand dollars ($1,000) for each subsequent offense. The department shall require the health care provider to reimburse the beneficiary for the amount paid to the health care provider in excess of the reasonable charge that resulted in the violation.