**The Florida Senate**

# BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Health Policy

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| BILL: | CS/SB 944 |
| INTRODUCER: | Banking and Insurance Committee and Senator Davis |
| SUBJECT: | Insurance Overpayment Claims Submitted to Psychologists |
| DATE: | March 17, 2025 REVISED: |

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|---|---|---|---|---|
| 1. | Johnson | Knudson | BI | **Fav/CS** |
| 2. | Brown | Brown | HP | **Pre-meeting** |
| 3. | | | RC | |

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

## I. Summary:

CS/SB 944 reduces from 30 months to 12 months the timeframe for a health insurer or health maintenance organization (HMO) to submit claims for overpayment to a licensed psychologist. The bill's reduction in the look-back period results in licensed psychologists being subject to the same 12-month look-back period for insurer and HMO overpayments as health care providers licensed under chs. 458 (medical practice), 459 (osteopathic medicine), 460 (chiropractic medicine), 461 (podiatric medicine), or 466 (dentistry), F.S.

The bill provides an effective date of July 1, 2025, and applies to claims for services provided on or after January 1, 2026.

## II. Present Situation:

### State Regulation of Insurance

The Office of Insurance Regulation (OIR),[1] is responsible for all activities concerning health maintenance organizations (HMOs), health insurers, and other risk-bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided

[1] The OIR is a unit under the Financial Services Commission, which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. Commission members serve as the agency head for purposes of rulemaking under ch. 120, F.S. See s. 20.121(3), F.S.

under the Florida Insurance Code.[2] To transact business in Florida, a health insurer or HMO must obtain a certificate of authority from the OIR.[3] The Agency for Health Administration (agency) regulates the quality of care provided by HMOs under part III of ch. 641, F.S. Prior to receiving a certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from the agency.[4] As part of the certification process used by the agency, an HMO must provide information to demonstrate that the HMO has the ability to provide quality of care consistent with the prevailing standards of care.[5]

***Payment of Health Insurer and HMO Claims***

The Florida Insurance Code[6] prescribes the rights and responsibilities of health care providers, health insurers, and HMOs for the payment of claims. Florida's prompt payment laws govern payment of provider claims submitted to insurers and HMOs, including Medicaid managed care plans, in accordance with ss. 627.6131, 627.662, and 641.3155, F.S., respectively.[7] The law prescribes a protocol for specified providers to use for the submission of their claims to an insurer or HMO, as well as a statutory process for insurers or HMOs to use for the payment or denial of the claims.

Generally, if a health insurer or HMO determines it has made an overpayment to a provider, the insurer's or HMO's claim for the overpayment must be submitted to the provider within 30 months after the applicable payment by the insurer or HMO.[8] A provider must pay, deny, or contest the claim for overpayment of a health insurer or HMO within 40 days after receiving the claim.

All contested claims for overpayment must be paid or denied within 120 days after the provider's receipt of the claim.[9] Failure to pay or deny the claim of overpayment within 140 days after receipt creates an uncontestable obligation by the provider to pay the claim.[10] A claim for overpayment is not permitted beyond 30 months after the health insurer's or HMO's applicable payment to the provider, except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234, F.S.[11]

Section 627.6131(18), F.S., provides an exception to the period of 30 months for an insurer to submit a claim for overpayment to a provider. Section 641.3155(16), F.S., provides the same requirements for an HMO. All claims for overpayment submitted to a provider licensed under chs. 458 (medical practice), 459 (osteopathic medicine), 460 (chiropractic medicine), 461 (podiatric medicine), or 466 (dentistry), F.S., must be submitted to the provider within 12 months – not 30 months – after the health insurer's or HMO's applicable payment to the

[2] Section 20.121(3)(a), F.S.
[3] Sections 624.401 and 641.49, F.S.
[4] Section 641.495, F.S.
[5] *Id.*
[6] Pursuant to s. 624.01, F.S., chs. 624-632, 634, 635, 636, 641, 642, 648, and 651 constitute the "Florida Insurance Code."
[7] The prompt pay provisions apply to HMO contracts and major medical policies offered by individual and group insurers licensed under ch. 624, F.S.
[8] Section 627.6131(6), F.S., and s. 641.3155(5) F.S., for HMO provision.
[9] *Id.*
[10] *Id.*
[11] *Id.*

provider. A claim for overpayment may not be permitted after 12 months except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234, F.S.

**Division of State Group Insurance Program**

Under the authority of s. 110.123, F.S., the Department of Management Services (DMS), through the Division of State Group Insurance, administers the state group health insurance program under a cafeteria plan consistent with s. 125, Internal Revenue Code. To administer the state group health insurance program, DMS contracts with third party administrators for self-insured health plans and insured plans, as well as a pharmacy benefits manager for the state employees' self-insured prescription drug program pursuant to s. 110.12315, F.S.

**Oversight of the Practice of Psychology in Florida**

The Board of Psychology within the Department of Health is the state's regulatory board for the practice of psychology under the Psychological Services Act.[12] The "practice of psychology" means the observations, description, evaluation, interpretation, and modification of human behavior, by the use of scientific and applied psychological principles, methods, and procedures, for the purpose of describing, preventing, alleviating, or eliminating symptomatic, maladaptive, or undesired behavior and of enhancing interpersonal behavioral health and mental or psychological health.[13] Chapter 490, F.S., prescribes the requirements for an individual to be licensed as a psychologist.[14]

## III. Effect of Proposed Changes:

**Section 1** amends s. 627.6131, F.S., relating to the payment of claims, to add a provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom an insurer must submit a claim for overpayment within 12 months instead of 30 months after the insurer's applicable payment to the provider.

**Section 2** amends s. 641.3155(16), F.S., relating to payment of claims, to add a provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom a health maintenance organization (HMO) must submit a claim for overpayment within 12 months instead of 30 months after the HMO's applicable payment to the provider.

**Section 2** provides that the amendments made by the bill to ss. 627.6131(18), and 641.3155(16), F.S., apply to claims for services provided on or after January 1, 2026.

**Section 3** provides an effective date of July 1, 2025.

[12] Sections 490.001 and 490.004, F.S.
[13] Section 490.003(4), F.S.
[14] Section 490.003(7), F.S., defines a psychologist as a person licensed pursuant to s. 490.005(1), F.S., s. 490.006, F.S., or the provision identified as s. 490.013(2), F.S., in s. 1, ch. 81-235, Laws of Florida.

## IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

## V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill reduces the look-back period for a health insurer or health maintenance organization to submit claims for overpayments to psychologists from 30 months to 12 months. This may result in a positive fiscal impact for licensed psychologists or less fiscal uncertainty beyond the 12-month period, especially if the bill leads to increased participation by psychologists in insurer or HMO networks.

C. Government Sector Impact:

None.

## VI. Technical Deficiencies:

None.

## VII. Related Issues:

None.

## VIII. Statutes Affected:

This bill substantially amends sections 627.6131 and 641.3155 of the Florida Statutes.

This bill creates one non-statutory section of the Laws of Florida.

## IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Banking and Insurance on March 10, 2025:**
The committee substitute:

- Adds a health care provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom a health maintenance organization (HMO) must submit a claim for overpayment within 12 months instead of 30 months after payment of the claim.
- Revises the implementation date for application of the provisions of the bill to claims for services provided on or after January 1, 2026, instead of July 1, 2025, and adds a conforming change to reference s. 641.3155, F.S., thereby subjecting HMO claims for services to this same requirement.

B. Amendments:

None.