

LEGISLATIVE RESEARCH SERVICES

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State Recoupment Time Limits for Health Insurers

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You asked about state laws regarding how long health care insurers have to ask for recoupment after they have overpaid a provider.

After paying claims to health care providers, insurers may conduct an audit to verify that claims were paid appropriately and accurately. As a result, an insurer may try to recoup payment from a health care provider for claims paid in error. Insurers may do this by reducing payments currently owed the provider, withholding future payments, or otherwise requiring a refund from the provider. This process is often referred to as a retroactive claim denial. Insurance companies can request refunds from providers for a variety of reasons including overpayments; duplicate payments; pricing changes; coverage changes; or in instances of provider fraud, waste, or abuse.

State measures regarding time limits for insurance recoupment vary considerably. Thirty-two states—not including Alaska—have statutes of limitations regarding an insurer's ability to make a retroactive claim denial. Maryland, Nebraska, and Texas allow the least amount of time—six months—for an insurance company to request a refund/recoupment, while Florida and Connecticut allow insurers up to 30 and 60 months, respectively. The other states with a time limit allow 12, 18, or 24 months. As you know, Alaska law—AS 21.54.020—does not impose a time limit for such refunds. An additional 17 other states do not have statutes pertaining to the issue.

On the following page, we provide a table showing the time limits for recoupment in states. A more in-depth table, which includes statutory citations, additional factors, and exemptions, is available at www.prorecovery.com/wp-content/uploads/2013/09/PRP-State-Insurance-Recoupment-Laws.pdf.¹

¹ We found refund recoupment information on various other sites as well and ascertained that the PRP table, while created in 2013, is largely up-to-date and accurate.

State Refund Recoupment Time Limits for Health Insurers					
No Time Limit or No Statute (18)	Six Months (3)	12 Months (12)	18 Months (7)	24 Months (8)	30 or 60 Months (2)
Alaska, Delaware, Hawaii, Idaho, Illinois, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Nevada, New Mexico, North Carolina, North Dakota, Oregon, Pennsylvania, South Dakota, Wisconsin	Maryland, Nebraska, Texas	Alabama, Arizona, California, Colorado, Maine, Massachusetts, Missouri, Montana, Utah, Vermont, Virginia, West Virginia	Arkansas, Georgia, New Hampshire, New Jersey, Rhode Island, South Carolina, Tennessee	Indiana, Iowa, Kentucky, New York, Ohio, Oklahoma, Washington, Wyoming	Connecticut (60) Florida (30)
<p>Source: Professional Recovery Personnel, Inc. (PRP) at www.prerecovery.com/wp-content/uploads/2013/09/PRP-State-Insurance-Recoupment-Laws.pdf. We identified one inaccuracy in the PRP table; it shows Rhode Island as not having a relevant statute, however, R.I. Gen. Laws § 27-18-65 speaks to this issue and allow insurer up to 18 months to request a refund.</p> <p>Notes: In addition to PRP, we identified a number of other sources where refund recoupment state information was examined. These sources show information consistent with that provided in PRP's table (see link above).</p>					

We hope this is helpful. If you have questions or need additional information, please let us know.