

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 2123

By: Sparks

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5  
6 AS INTRODUCED

7 An Act relating to health insurance; defining terms;  
8 providing procedures regarding the verification of  
9 payment of health care services by an insurer;  
10 requiring the Insurance Commissioner to enforce  
11 certain provisions; providing for codification; and  
12 providing an effective date.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 6585 of Title 36, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. As used in this section:

18 1. "Preauthorization" means a determination by an insurer that  
19 medical care or health care services proposed to be provided to a  
20 patient are medically necessary and appropriate; and

21 2. "Verification" means a reliable presentation by an insurer  
22 to a physician and/or health care provider that the insurer will pay  
23 the physician and/or health care provider for proposed medical care  
24 or health care services if the physician and/or health care provider

1 render those services to the patient for whom the services are  
2 proposed. Verification includes precertification, certification,  
3 recertification, and any other term that would be a reliable  
4 representation by an insurer to a physician or provider.

5 Verification includes preauthorization only when preauthorization is  
6 a condition for payment of services.

7 B. On the request of a physician and/or health care provider  
8 for verification of a particular medical care or health care service  
9 the physician and/or health care provider proposes to provide to a  
10 particular patient, the insurer shall inform the physician and/or  
11 health care provider without delay whether the service, if provided  
12 to that patient, shall be paid by the insurer and shall specify any  
13 deductibles, copayments, or coinsurance for which the insured is  
14 responsible.

15 C. An insurer that declines to provide a verification shall  
16 notify the physician and/or health care provider who requested the  
17 verification of the specific reason the verification was not  
18 provided prior to the rendering of medical care or health care  
19 service.

20 D. If an insurer has provided a verification for proposed  
21 medical care or health care services, the insurer shall not deny or  
22 reduce payment to the physician and/or health care provider for  
23 those medical care or health care services unless the physician  
24 and/or health care provider has materially misrepresented the

1 proposed medical care or health care services or had substantially  
2 failed to perform the proposed medical care or health care services.

3 E. If an insurer has provided a verification for medical care  
4 or health care services, and the insurer subsequently determines  
5 that the patient was not covered at the time the services were  
6 rendered, the insurer shall not deny or reduce payment to the  
7 physician and/or health care provider for those medical care or  
8 health care services rendered.

9 F. The provisions of this section shall not be waived, voided  
10 or nullified by any contract entered into following the effective  
11 date of this act.

12 G. The Insurance Commissioner shall enforce the provisions of  
13 this section and shall promulgate rules, if necessary, to implement  
14 the provisions of this section.

15 SECTION 2. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 1304.1 of Title 74, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. As used in this section:

19 1. "Preauthorization" means a determination by an insurer that  
20 medical care or health care services proposed to be provided to a  
21 patient are medically necessary and appropriate; and

22 2. "Verification" means a reliable presentation by an insurer  
23 to a physician and/or health care provider that the insurer will pay  
24 the physician and/or health care provider for proposed medical care

1 or health care services if the physician and/or health care provider  
2 render those services to the patient for whom the services are  
3 proposed. "Verification" includes precertification, certification,  
4 recertification, and any other term that would be a reliable  
5 representation by an insurer to a physician or provider.  
6 Verification includes preauthorization only when preauthorization is  
7 a condition for payment of services.

8 B. On the request of a physician and/or health care provider  
9 for verification of a particular medical care or health care service  
10 the physician and/or health care provider proposes to provide to a  
11 particular patient, the insurer shall inform the physician and/or  
12 health care provider without delay whether the service, if provided  
13 to that patient, shall be paid by the insurer and shall specify any  
14 deductibles, copayments, or coinsurance for which the insured is  
15 responsible.

16 C. An insurer that declines to provide a verification shall  
17 notify the physician and/or health care provider who requested the  
18 verification of the specific reason the verification was not  
19 provided prior to the rendering of medical care or health care  
20 service.

21 D. If an insurer has provided a verification for proposed  
22 medical care or health care services, the insurer shall not deny or  
23 reduce payment to the physician and/or health care provider for  
24 those medical care or health care services unless the physician

1 and/or health care provider has materially misrepresented the  
2 proposed medical care or health care services or had substantially  
3 failed to perform the proposed medical care or health care services.

4 E. If an insurer has provided a verification for medical care  
5 or health care services, and the insurer subsequently determines  
6 that the patient was not covered at the time the services were  
7 rendered, the insurer shall not deny or reduce payment to the  
8 physician and/or health care provider for those medical care or  
9 health care services rendered.

10 F. The provisions of this section shall not be waived, voided  
11 or nullified by any contract entered into following the effective  
12 date of this act.

13 G. The Insurance Commissioner shall enforce the provisions of  
14 this section and shall promulgate rules, if necessary, to implement  
15 the provisions of this section.

16 SECTION 3. This act shall become effective November 1, 2008.

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