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# Client Alert: Legislation Reducing Lookback Period for Health Insurance Recoupments Signed Into Law

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## Overview

Governor Mike DeWine signed Ohio Senate Bill 162 (SB 162) into law. SB 162, sponsored by Senator Louis W. Blessing, III, amends Ohio Revised Code (ORC) Section 3901.388 to significantly shorten the timeframe in which health insurers may seek recoupment of overpayments from health care providers.

### Key Provisions

Under current Ohio law, health insurers have up to 24 months to initiate recoupment of overpayments from health care providers. SB 162 reduces that window to 12 months, giving providers greater financial predictability and stability.

The legislation is designed to address the administrative and financial strain that late-stage recoupments impose on health care providers, particularly small and independent practices. Recoupments that occur many months after care is provided create undue burdens that interfere with providers' cash flow and ability to focus on delivering patient care.

### Practical Implications

Providers can expect enhanced revenue predictability once the bill takes effect. The shortened recoupment window means that after one year from the date of initial payment, insurers will generally be barred from seeking to recover overpayments. Practices should review their internal accounting and reconciliation processes to align with the new timeline.

### Legislative Background

SB 162 is part of a broader suite of insurance reform initiatives in Ohio's 136th General Assembly aimed at reducing administrative burdens on health care providers. The bill received strong support from health care stakeholders.

### Next Steps

The amendments to ORC 3901.388 will take effect in 90 days. Affected parties should begin evaluating their policies and processes now to ensure compliance upon the effective date.

We will continue to monitor the implementation of SB 162 and any related regulatory developments. Please contact Shumaker Daphne Kackloudis for questions about how these changes may affect your organization.

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