

# Insurance Clawbacks (HB 5478) FAQs For Social Workers & Students

## Why is this bill important to us?

A: Some providers face payment recoupments months or even years after services are delivered, creating financial uncertainty. This legislation establishes clear time limits and transparency requirements for insurers seeking to recover payments.

## Recoupment Rules

**Q: After 90 days, can insurers recover payments for billing errors?**

A: Generally no. The bill limits all recoupment after 90 days, except in cases of fraud.

**Q: What is the fraud exception?**

A: Recoupment may occur after the limited period if someone has been criminally convicted of fraud.

**Q: Does the reform apply to Medicaid or worker's compensation?**

A: No. It applies to commercial insurance plans.

## Claim Transparency

**Q: What must insurers provide before retrieving payment?**

A: A written notice explaining the reason for recoupment, claim details including the date of service and amount owed, and contact information for the health plan.

## Provider Protections

**Q: Can an insurer deny an entire claim if only one service line is defective?**

A: Current statute ensures only the disputed service line is affected.

## Current Law vs. Proposed Change

**Q: What is the current timeframe for insurers to recover payments?**

A: There is currently NO limit on recoupment timelines. Michigan is only 1 of 10 states without any laws or protections around this issue.



## LEGISLATIVE CONTACTS

**Jess Riley, MSW** | NASW-MI Policy and Advocacy Manager  
[jriley.naswmi@socialworkers.org](mailto:jriley.naswmi@socialworkers.org) | (517) 940-4684

**Duane Breijak, LMSW-Macro** | NASW-MI Executive Director  
[dbreijak.naswmi@socialworkers.org](mailto:dbreijak.naswmi@socialworkers.org) | (517) 487-1548

**De'Shondria Bedenfield** | Capitol Services Multi-Client Lobbyist  
[dbedenfield@capitol-services.org](mailto:dbedenfield@capitol-services.org)

*Founded in 1955, the National Association of Social Workers (NASW) is the largest membership organization of professional social workers in the world. NASW works to enhance the professional growth and development of its members, to create and maintain professional standards, and to advance sound social policies.*

National Association of Social Workers – Michigan Chapter  
741 N Cedar, Ste 100 Lansing, MI 48906  
[www.nasw-michigan.org](http://www.nasw-michigan.org)