

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 809

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Goldwater” and substitute “, Goldwater, Donoghue, Love, Kach, V. Mitchell, Kelly, Eckardt, Boston, Exum, Kirk, Walkup, La Vay, Frank, Pendergrass, Fulton, Morhaim, and Workman”; in line 2, strike “Health Care Practitioners - Retroactive Denials of”; and in the same line, after “Reimbursement” insert “of Service Providers”; strike beginning with “restricting” in line 3 down through “practitioners” in line 9 and insert “requiring a health maintenance organization, insurer, or nonprofit health service plan to permit a provider a certain minimum number of months to submit a claim for reimbursement; requiring a health maintenance organization, insurer, or nonprofit health service plan to reimburse a provider within a certain time, under certain circumstances, after receiving certain documentation; and generally relating to reimbursement of health care service providers”; after line 9, insert:

“BY repealing and reenacting, with amendments,

Article - Health - General

Section 19-712.1

Annotated Code of Maryland

(1996 Replacement Volume and 1996 Supplement)”;

and in line 12, strike “15-113” and substitute “15-1005”.

AMENDMENT NO. 2

On page 1, after line 17, insert:

“Article - Health - General

19-712.1.

(Over)

(a) For covered services rendered to its members, a health maintenance organization shall reimburse any provider within 30 days after receipt of a claim that is accompanied by all reasonable and necessary documentation.

(b) (1) If a health maintenance organization fails to comply with subsection (a) of this section, the health maintenance organization shall pay interest beginning with the 31st day on the amount of the claim that remains unpaid after 30 days following the receipt of the claim.

(2) The interest payable shall be at the rate of 1.5 percent per month simple interest prorated for any portion of a month.

(3) Except as provided in subsection (c) of this section, when paying a claim more than 30 days after its receipt, the health maintenance organization shall add the interest payable to the amount of the unpaid claim without the necessity for any claim for that interest to be made by the provider filing the original claim.

(c) The provisions of this section do not apply to claims where:

(1) There is a good faith dispute regarding:

(i) The legitimacy of the claim; or

(ii) The appropriate amount of reimbursement; and

(2) The health maintenance organization:

(i) Notifies the provider within 2 weeks of the receipt of the claim that the legitimacy of the claim or the appropriate amount of reimbursement is in dispute;

(ii) Supplies in writing to the provider the specific reasons why the legitimacy of the claim, or a portion of the claim, or the appropriate amount of reimbursement is in dispute;

(iii) Pays any undisputed portion of the claim within 30 days of the receipt of the claim; and

(iv) Makes a good faith, timely effort to resolve the dispute.

(D) A HEALTH MAINTENANCE ORGANIZATION SHALL PERMIT A PROVIDER A MINIMUM OF 6 MONTHS FROM THE DATE A COVERED SERVICE IS RENDERED TO SUBMIT A CLAIM FOR REIMBURSEMENT FOR THE SERVICE.

(E) (1) IF A HEALTH MAINTENANCE ORGANIZATION NOTIFIES A PROVIDER THAT ADDITIONAL DOCUMENTATION IS NECESSARY TO ADJUDICATE A CLAIM, THE HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE THE PROVIDER FOR COVERED SERVICES WITHIN 30 DAYS AFTER RECEIPT OF ALL REASONABLE AND NECESSARY DOCUMENTATION.

(2) IF A HEALTH MAINTENANCE ORGANIZATION FAILS TO COMPLY WITH THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE HEALTH MAINTENANCE ORGANIZATION SHALL PAY INTEREST IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.”.

AMENDMENT NO. 3

On pages 1 and 2, strike the lines beginning with line 19 on page 1 through line 26 on page 2, and substitute:

“15-1005.

(a) This section does not apply when there is a good faith dispute about the legitimacy of a claim or the appropriate amount of reimbursement.

(b) To the extent consistent with the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 1001, et seq., this section applies to an insurer or nonprofit health service plan that acts as a third party administrator.

(c) Within 30 days after receipt of a claim for reimbursement from a person entitled to reimbursement under § 15-701(a) of this title or from a hospital or related institution, as those terms are defined in § 19-301 of the Health - General Article, an insurer or nonprofit health service plan

(Over)

shall:

(1) pay the claim in accordance with this section; or

(2) send a notice of receipt and status of the claim that states:

(i) that the insurer or nonprofit health service plan refuses to reimburse all or part of the claim and the reason for the refusal; or

(ii) that additional information is necessary to determine if all or part of the claim will be reimbursed and what specific additional information is necessary.

(D) AN INSURER OR A NONPROFIT HEALTH SERVICE PLAN SHALL PERMIT A PROVIDER A MINIMUM OF 6 MONTHS FROM THE DATE A COVERED SERVICE IS RENDERED TO SUBMIT A CLAIM FOR REIMBURSEMENT FOR THE SERVICE.

(E) (1) IF AN INSURER OR NONPROFIT HEALTH SERVICE PLAN NOTIFIES A PROVIDER THAT ADDITIONAL DOCUMENTATION IS NECESSARY TO ADJUDICATE A CLAIM, THE INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL REIMBURSE THE PROVIDER FOR COVERED SERVICES WITHIN 30 DAYS AFTER RECEIPT OF ALL REASONABLE AND NECESSARY DOCUMENTATION.

(2) IF AN INSURER OR NONPROFIT HEALTH SERVICE PLAN FAILS TO COMPLY WITH THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL PAY INTEREST IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (F) OF THIS SECTION.

[(d)] (F) (1) If an insurer or nonprofit health service plan fails to comply with subsection (c) of this section, the insurer or nonprofit health service plan shall pay interest on the amount of the claim that remains unpaid 30 days after the claim is filed at the monthly rate of:

(i) 1.5% from the 31st day through the 60th day;

(ii) 2% from the 61st day through the 120th day; and

(iii) 2.5% after the 120th day.

(2) The interest paid under this subsection shall be included in any late reimbursement without the necessity for the person that filed the original claim to make an additional claim for that interest.”.