
By: **Delegates Goldwater, Barkley, Bronrott, Heller, Kopp, Petzold, and Mandel**

Introduced and read first time: February 10, 2000

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Claims for Reimbursement - Uniform Claims Remittance**
3 **Form**

4 FOR the purpose of altering the applicability of certain provisions of law relating to
5 payment of certain claims for reimbursement; requiring insurers, nonprofit
6 health service plans, and health maintenance organizations to include the date
7 of receipt of a claim in a certain notice of receipt of a claim; requiring insurers,
8 nonprofit health service plans, and health maintenance organizations to pay
9 certain claims on a certain uniform claims remittance form; requiring the
10 Insurance Commissioner to adopt by regulation a certain uniform claims
11 remittance form; requiring the uniform claims remittance form to include the
12 date of receipt of a claim by an insurer, nonprofit health service plan, or health
13 maintenance organization; and generally relating to claims for reimbursement
14 by health care practitioners and health care facilities and payment of claims on
15 a uniform claims remittance form under health insurance.

16 BY repealing and reenacting, with amendments,
17 Article - Insurance
18 Section 15-1005
19 Annotated Code of Maryland
20 (1997 Volume and 1999 Supplement)

21 BY adding to
22 Article - Insurance
23 Section 15-1009
24 Annotated Code of Maryland
25 (1997 Volume and 1999 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Insurance

2 15-1005.

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

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

9 [(c)] (B) Within 30 days after receipt of a claim for reimbursement from a
10 person entitled to reimbursement under § 15-701(a) of this title or from a hospital or
11 related institution, as those terms are defined in § 19-301 of the Health - General
12 Article, an insurer, nonprofit health service plan, or health maintenance organization
13 shall:

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

15 (2) send a notice of receipt, INCLUDING THE DATE OF RECEIPT OF THE
16 CLAIM, and status of the claim that states:

17 (i) that the insurer, nonprofit health service plan, or health
18 maintenance organization refuses to reimburse all or part of the claim and the reason
19 for the refusal; or

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

23 (C) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
24 MAINTENANCE ORGANIZATION SHALL PAY EACH CLAIM ON THE UNIFORM CLAIMS
25 REMITTANCE FORM DESCRIBED IN § 15-1009 OF THIS SUBTITLE.

26 (d) An insurer, nonprofit health service plan, or health maintenance
27 organization shall permit a provider a minimum of 6 months from the date a covered
28 service is rendered to submit a claim for reimbursement for the service.

29 (e) (1) If an insurer, nonprofit health service plan, or health maintenance
30 organization notifies a provider IN ACCORDANCE WITH SUBSECTION (B)(2) OF THIS
31 SECTION that additional documentation is necessary to adjudicate a claim, the
32 insurer, nonprofit health service plan, or health maintenance organization shall
33 reimburse the provider for covered services within 30 days after receipt of all
34 reasonable and necessary documentation.

35 (2) If an insurer, nonprofit health service plan, or health maintenance
36 organization fails to comply with the requirements of paragraph (1) of this subsection,
37 the insurer, nonprofit health service plan, or health maintenance organization shall
38 pay interest in accordance with the requirements of subsection (f) of this section.

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

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

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

8 (iii) 2.5% after the 120th day.

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

12 15-1009.

13 (A) (1) BY REGULATION, THE COMMISSIONER SHALL ADOPT A UNIFORM
14 CLAIMS REMITTANCE FORM.

15 (2) THE COMMISSIONER SHALL DEVELOP THE UNIFORM CLAIMS
16 REMITTANCE FORM IN CONSULTATION WITH THE MEDICAL AND CHIRURGICAL
17 FACULTY, THE MARYLAND HOSPITAL ASSOCIATION, BLUECROSS BLUESHIELD OF
18 MARYLAND, AND THE LEAGUE OF LIFE AND HEALTH INSURERS.

19 (B) THE UNIFORM CLAIMS REMITTANCE FORM SHALL INCLUDE THE DATE OF
20 RECEIPT OF A CLAIM BY AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR
21 HEALTH MAINTENANCE ORGANIZATION.

22 (C) EACH INSURER, NONPROFIT HEALTH SERVICE PLAN, AND HEALTH
23 MAINTENANCE ORGANIZATION SHALL USE THE UNIFORM CLAIMS REMITTANCE
24 FORM TO PAY ALL CLAIMS OF HEALTH CARE PRACTITIONERS AND HEALTH CARE
25 FACILITIES FOR SERVICES RENDERED.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2000.