

SENATE BILL 653

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2001 Regular Session
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By: **Senators Roesser, DeGrange, Della, Hafer, Hooper, and Teitelbaum**
Introduced and read first time: February 2, 2001
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of requiring the Maryland Insurance Commissioner to adopt by
5 regulation a uniform claims remittance form; requiring the Commissioner to
6 develop the uniform claims remittance form in consultation with certain
7 persons; requiring the uniform claims remittance form to include the date of
8 receipt of a claim by an insurer, nonprofit health service plan, or health
9 maintenance organization; requiring insurers, nonprofit health service plans,
10 and health maintenance organizations to use the uniform claims remittance
11 form to pay claims of certain health care practitioners and health care facilities;
12 providing for a delayed effective date; and generally relating to the payment of
13 claims by insurers, nonprofit health service plans, and health maintenance
14 organizations.

15 BY repealing and reenacting, with amendments,
16 Article - Insurance
17 Section 15-1005
18 Annotated Code of Maryland
19 (1997 Volume and 2000 Supplement)

20 BY adding to
21 Article - Insurance
22 Section 15-1010
23 Annotated Code of Maryland
24 (1997 Volume and 2000 Supplement)

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

1

Article - Insurance

2 15-1005.

3 (a) In this section, "clean claim" means a claim for reimbursement, as defined
4 in regulations adopted by the Commissioner under § 15-1003 of this subtitle.

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

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

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

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

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

18 (ii) that, in accordance with § 15-1003(d)(1)(ii) of this subtitle, the
19 legitimacy of the claim or the appropriate amount of reimbursement is in dispute and
20 additional information is necessary to determine if all or part of the claim will be
21 reimbursed and what specific additional information is necessary; or

22 (iii) that the claim is not clean and the specific additional
23 information necessary for the claim to be considered a clean claim.

24 (D) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
25 MAINTENANCE ORGANIZATION SHALL PAY EACH CLAIM FOR REIMBURSEMENT
26 USING THE UNIFORM CLAIMS REMITTANCE FORM ADOPTED BY THE COMMISSIONER
27 UNDER § 15-1010 OF THIS SUBTITLE.

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

31 [(e)] (F) (1) If an insurer, nonprofit health service plan, or health
32 maintenance organization provides notice under subsection (c)(2)(i) of this section, the
33 insurer, nonprofit health service plan, or health maintenance organization shall pay
34 any undisputed portion of the claim within 30 days of receipt of the claim, in
35 accordance with this section.

1 (2) If an insurer, nonprofit health service plan, or health maintenance
2 organization provides notice under subsection (c)(2)(ii) of this section, the insurer,
3 nonprofit health service plan, or health maintenance organization shall:

4 (i) pay any undisputed portion of the claim in accordance with this
5 section; and

6 (ii) comply with subsection (c)(1) or (2)(i) of this section within 30
7 days after receipt of the requested additional information.

8 (3) If an insurer, nonprofit health service plan, or health maintenance
9 organization provides notice under subsection (c)(2)(iii) of this section, the insurer,
10 nonprofit health service plan, or health maintenance organization shall comply with
11 subsection (c)(1) or (2)(i) of this section within 30 days after receipt of the requested
12 additional information.

13 [(f)] (G) (1) If an insurer, nonprofit health service plan, or health
14 maintenance organization fails to comply with subsection (c) of this section, the
15 insurer, nonprofit health service plan, or health maintenance organization shall pay
16 interest on the amount of the claim that remains unpaid 30 days after the claim is
17 received at the monthly rate of:

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

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

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

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

24 [(g)] (H) An insurer, nonprofit health service plan, or health maintenance
25 organization that violates a provision of this section is subject to:

26 (1) a fine not exceeding \$500 for each violation that is arbitrary and
27 capricious, based on all available information; and

28 (2) the penalties prescribed under § 4-113(d) of this article for violations
29 committed with a frequency that indicates a general business practice.

30 15-1010.

31 (A) THE COMMISSIONER SHALL ADOPT BY REGULATION A UNIFORM CLAIMS
32 REMITTANCE FORM.

33 (B) THE COMMISSIONER SHALL DEVELOP THE UNIFORM CLAIMS
34 REMITTANCE FORM IN CONSULTATION WITH THE MEDICAL AND CHIRURGICAL
35 FACULTY, THE MARYLAND HOSPITAL ASSOCIATION, BLUECROSS BLUESHIELD OF
36 MARYLAND, AND THE LEAGUE OF LIFE AND HEALTH INSURERS.

1 (C) THE UNIFORM CLAIMS REMITTANCE FORM ADOPTED BY THE
2 COMMISSIONER SHALL INCLUDE THE DATE OF RECEIPT OF A CLAIM BY AN INSURER,
3 NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION.

4 (D) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, AND HEALTH
5 MAINTENANCE ORGANIZATION SHALL USE THE UNIFORM CLAIMS REMITTANCE
6 FORM TO PAY ALL CLAIMS OF HEALTH CARE PRACTITIONERS AND HEALTH CARE
7 FACILITIES FOR SERVICES RENDERED.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 January 1, 2002.