

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 23, 2001

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of requiring the Maryland Insurance Commissioner to ~~adopt by~~
5 ~~regulation~~ study the desirability and feasibility of developing a uniform claims
6 remittance form; requiring the Commissioner to ~~develop the uniform claims~~
7 ~~remittance form~~ conduct the study in consultation with certain persons;
8 ~~requiring the uniform claims remittance form to include the date of receipt of a~~
9 ~~claim by an insurer, nonprofit health service plan, or health maintenance~~
10 ~~organization; requiring insurers, nonprofit health service plans, and health~~
11 ~~maintenance organizations to use the uniform claims remittance form to pay~~
12 ~~claims of certain health care practitioners and health care facilities; providing~~
13 ~~for a delayed effective date; and generally relating to the payment of claims by~~
14 ~~insurers, nonprofit health service plans, and health maintenance organizations~~
15 requiring the Commissioner to report certain findings and recommendations to
16 the House Economic Matters and Senate Finance Committees on or before a
17 certain date; providing for the termination of this Act; and generally relating to
18 reimbursement of health care providers.

19 ~~BY repealing and reenacting, with amendments,~~
20 ~~Article Insurance~~
21 ~~Section 15-1005~~
22 ~~Annotated Code of Maryland~~
23 ~~(1997 Volume and 2000 Supplement)~~

24 ~~BY adding to~~
25 ~~Article Insurance~~

1 Section 15-1010
 2 Annotated Code of Maryland
 3 (1997 Volume and 2000 Supplement)

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

6 **Article—Insurance**

7 ~~15-1005.~~

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

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

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

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

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

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

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

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

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

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

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

6 ~~(2)~~ If an insurer, nonprofit health service plan, or health maintenance
7 organization provides notice under subsection (e)(2)(ii) of this section, the insurer,
8 nonprofit health service plan, or health maintenance organization shall:

9 ~~(i)~~ pay any undisputed portion of the claim in accordance with this
10 section; and

11 ~~(ii)~~ comply with subsection (e)(1) or (2)(i) of this section within 30
12 days after receipt of the requested additional information.

13 ~~(3)~~ If an insurer, nonprofit health service plan, or health maintenance
14 organization provides notice under subsection (e)(2)(iii) of this section, the insurer,
15 nonprofit health service plan, or health maintenance organization shall comply with
16 subsection (e)(1) or (2)(i) of this section within 30 days after receipt of the requested
17 additional information.

18 ~~[(f)] (G) (1)~~ If an insurer, nonprofit health service plan, or health
19 maintenance organization fails to comply with subsection (e) of this section, the
20 insurer, nonprofit health service plan, or health maintenance organization shall pay
21 interest on the amount of the claim that remains unpaid 30 days after the claim is
22 received at the monthly rate of:

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

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

25 ~~(iii)~~ 2.5% after the 120th day.

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

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

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

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

1 ~~15-1010.~~

2 (A) ~~THE COMMISSIONER SHALL ADOPT BY REGULATION A UNIFORM CLAIMS~~
3 ~~REMITTANCE FORM.~~

4 (B) ~~THE COMMISSIONER SHALL DEVELOP THE UNIFORM CLAIMS~~
5 ~~REMITTANCE FORM IN CONSULTATION WITH THE MEDICAL AND CHIRURGICAL~~
6 ~~FACULTY, THE MARYLAND HOSPITAL ASSOCIATION, BLUECROSS BLUESHIELD OF~~
7 ~~MARYLAND, AND THE LEAGUE OF LIFE AND HEALTH INSURERS.~~

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

11 (D) ~~AN INSURER, NONPROFIT HEALTH SERVICE PLAN, AND HEALTH~~
12 ~~MAINTENANCE ORGANIZATION SHALL USE THE UNIFORM CLAIMS REMITTANCE~~
13 ~~FORM TO PAY ALL CLAIMS OF HEALTH CARE PRACTITIONERS AND HEALTH CARE~~
14 ~~FACILITIES FOR SERVICES RENDERED.~~

15 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
16 ~~January 1, 2002.~~

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That:

19 (a) The Maryland Insurance Commissioner shall study the desirability and
20 feasibility of developing a uniform claims remittance form to be used by payers in
21 reimbursing health care providers.

22 (b) The uniform claims remittance form study shall be conducted in
23 consultation with:

24 (1) the Medical and Chirurgical Faculty of Maryland;

25 (2) the Maryland State Dental Association;

26 (3) the Maryland Hospital Association;

27 (4) representatives of other health care providers;

28 (5) third party payers in the State;

29 (6) managed care organizations as defined under § 15-101(f) of the
30 Health - General Article;

31 (7) one member of the House of Delegates appointed by the Speaker of
32 the House; and

33 (8) one member of the Senate appointed by the President of the Senate.

1 (c) The Commissioner shall report the findings of the study and any resulting
2 recommendations to the House Economic Matters Committee and the Senate Finance
3 Committee on or before December 1, 2001 in accordance with § 2-1246 of the State
4 Government Article.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2001. It shall remain effective for a period of 7 months and, at the end of
7 December 31, 2001, with no further action required by the General Assembly, this Act
8 shall be abrogated and of no further force and effect.