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THE MARYLAND HOUSE OF DELEGATES
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Testimony in Support of HB 865
Health Insurance – Remittance Advice – Interest on Late Paid Claim

Good afternoon, Chairman Bagnall and honorable members of the committee. Thank you for this opportunity to present HB 865 **Health Insurance – Remittance Advice – Interest on Late Paid Claims**. This bill seeks to standardize the itemization of remittance from payors so that the amount paid to the claim is separate from the amount paid as interest on a late paid claim.

Under current law, when a claim is paid after thirty (30) days, the payor is liable for interest due on the claim, ranging from 1.5 to 2.5% based on the length of the delay. This bill requires that the remittance give the dollar amounts, itemizing the payment for the claim and the interest being paid.

This requirement would clarify for the provider of the services how much is being paid for the actual claim and how much is due because of the delay in payment, so the provider can accurately predict how much of a claim will be remitted in the future. This would be helpful in the budget management of the providers.

Some payors may already have itemized the remittances; this bill just codifies the practice for those who might not be at this point.

Thank you for your consideration and I respectfully request a favorable report.