

HB0865_RichardKaplowitz_FAV

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Richard Keith Kaplowitz

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TESTIMONY ON HB#0865 POSITION: FAVORABLE

Health Insurance - Remittance Advice - Interest on Late-Paid Claims

TO: Chair Bagnall, Vice Chair Cullison, and members of the Health Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#/0865, **Health Insurance - Remittance Advice - Interest on Late-Paid Claims**

This legislation compliments HB0739 - Health Insurance - Prompt Payment of Claims – Requirements.

The bill will ensure that an insurer, a nonprofit health service plan, or a health maintenance organization that owes interest ... shall provide remittance advice to the person that filed the original claim that separately identifies and itemizes the interest.

Remittance advice is a document or notification sent by a buyer to a seller, confirming that a payment for goods or services has been made. It serves as a "notice," informing the supplier which specific invoices are being paid, ensuring accurate, fast reconciliation of accounts receivable. ¹

Key details about remittance advice:

- **Purpose**
- **Included Information**
- **Commonality.**
- **Benefits**
- **Healthcare Context:** In medical billing, a remittance advice (or Electronic Remittance Advice - ERA) is a detailed report explaining how insurance claims were processed, paid, or denied.

The bill will accomplish this by requiring insurers, nonprofit health service plans, and health maintenance organizations that owe interest on claims under a certain provision of law to provide certain remittance advice that separately identifies and itemizes the interest owed claims.

I respectfully urge this committee to return a favorable report on HB#/0865.

¹ Google AI Search "what is a remittance advice"