

FIRST REGULAR SESSION

SENATE BILL NO. 236

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LEMBKE.

Read 1st time January 22, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1316L.01I

AN ACT

To repeal section 376.383, RSMo, and to enact in lieu thereof one new section relating to the payment of health insurance claims.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 376.383, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 376.383, to read as follows:

376.383. 1. For purposes of this section and section 376.384, the following
2 terms shall mean:

3 (1) "Claimant", any individual, corporation, association, partnership or
4 other legal entity asserting a right to payment arising out of a contract or a
5 contingency or loss covered under a health benefit plan as defined in section
6 376.1350;

7 (2) "Deny" or "denial", when the health carrier refuses to reimburse all or
8 part of the claim;

9 (3) "Health carrier", health carrier as defined in section 376.1350[,] **and**
10 **any self-insured health plan;** except that health carrier shall not include a
11 workers' compensation carrier providing benefits to an employee pursuant to
12 chapter 287, RSMo;

13 (4) "Health care provider", health care provider as defined in section
14 376.1350;

15 (5) "Health care services", health care services as defined in section
16 376.1350;

17 (6) "Processing days", number of days the health carrier has the claim in
18 its possession. Processing days shall not include days in which the health carrier
19 is waiting for a response to a request for additional information;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 (7) "Request for additional information", [when the health carrier requests
21 information from the claimant to determine if all or part of the claim will be
22 reimbursed] **a health carrier's electronic requests for additional**
23 **information from the claimant specifying the documentation or**
24 **information necessary to process all or part of the claim for payment;**

25 (8) ["Suspends the claim", giving notice to the claimant specifying the
26 reason the claim is not yet paid, including but not limited to grounds as listed in
27 the contract between the claimant and the health carrier; and

28 (9)] "Third-party contractor", a third party contracted with the health
29 carrier to receive or process claims for reimbursement of health care services.

30 2. **Within one working day after receipt of an electronically filed**
31 **claim by a health carrier or a third-party contractor, a health carrier**
32 **shall send an electronic acknowledgment of the date of receipt.**

33 3. Within [ten working] **fifteen** days after receipt of a **filed** claim by a
34 health carrier or a third-party contractor, a health carrier shall[:

35 (1) Send an acknowledgment of the date of receipt; or

36 (2)] send **an electronic** notice of the status of the claim that includes
37 a request for additional information. If a health carrier pays the claim,
38 [subdivisions (1) and (2)] **this subsection** shall not apply.

39 [3.] 4. Within fifteen days after receipt of additional information by a
40 health carrier or a third-party contractor, a health carrier shall pay the claim or
41 any undisputed part of the claim in accordance with this section or send [a] **an**
42 **electronic** notice of receipt and status of the claim:

43 (1) That denies all or part of the claim and specifies each reason for
44 denial; or

45 (2) That makes a final request for additional information.

46 [4.] 5. Within fifteen days after the day on which the health carrier or
47 a third-party contractor receives the additional requested information in response
48 to a final request for information, it shall pay the claim or any undisputed part
49 of the claim or deny [or suspend] the claim.

50 [5.] 6. If the health carrier has not paid the claimant on or before the
51 forty-fifth **processing** day from the date of receipt of the claim, the health
52 carrier shall pay the claimant one **and one-half** percent interest per month **and**
53 **a penalty in an amount equal to one-fifth of the claim per day.** The
54 interest **and penalty** shall be calculated based upon the unpaid balance of the
55 claim **as of the forty-fifth processing day.** The interest **and penalty** paid

56 pursuant to this subsection shall be included in any late reimbursement without
57 the necessity for the person that filed the original claim to make an additional
58 claim for that interest **and penalty**. A health carrier may combine interest
59 payments and make payment once the aggregate amount reaches [five] **one**
60 **hundred** dollars. **Any claim which has been properly denied before the**
61 **forty-fifth processing day under this section and section 376.384 shall**
62 **not be subject to interest or penalties. Such interest and penalties shall**
63 **cease to accrue on the day after a petition is filed in a court of**
64 **competent jurisdiction to recover payment of such claim. Upon a**
65 **finding by a court of competent jurisdiction that the health carrier**
66 **failed to pay a claim, interest, or penalty without good cause, the court**
67 **shall enter judgment for reasonable attorney fees for services necessary**
68 **for recovery. Upon a finding that a health care provider filed suit**
69 **without reasonable grounds to recover a claim, the court shall award**
70 **the health carrier reasonable attorney fees necessary to the defense.**

71 [6. If a health carrier fails to pay, deny or suspend the claim within forty
72 processing days, and has received, on or after the fortieth day, notice from the
73 health care provider that such claim has not been paid, denied or suspended, the
74 health carrier shall, in addition to monthly interest due, pay to the claimant per
75 day an amount of fifty percent of the claim but not to exceed twenty dollars for
76 failure to pay all or part of a claim or interest due thereon or deny or suspend as
77 required by this section. Such penalty shall not accrue for more than thirty days
78 unless the claimant provides a second written or electronic notice on or after the
79 thirty days to the health carrier that the claim remains unpaid and that penalties
80 are claimed to be due pursuant to this section. Penalties shall cease if the health
81 carrier pays, denies or suspends the claim. Said penalty shall also cease to
82 accrue on the day after a petition is filed in a court of competent jurisdiction to
83 recover payment of said claim. Upon a finding by a court of competent
84 jurisdiction that the health carrier failed to pay a claim, interest or penalty
85 without reasonable cause, the court shall enter judgment for reasonable attorney
86 fees for services necessary for recovery. Upon a finding that a provider filed suit
87 without reasonable grounds to recover a claim, the court shall award the health
88 carrier reasonable attorney fees necessary to the defense.]

89 7. The department of insurance, financial institutions and professional
90 registration shall monitor [suspensions] **denials** and determine whether the
91 health carrier acted reasonably.

92 8. If a health carrier or third-party contractor has reasonable grounds to
93 believe that a fraudulent claim is being made, the health carrier or third-party
94 contractor shall notify the department of insurance, financial institutions and
95 professional registration of the fraudulent claim pursuant to sections 375.991 to
96 375.994, RSMo.

97 9. Denial of a claim shall be communicated to the claimant and shall
98 include the specific reason why the claim was denied. **Any claim for which the**
99 **health carrier has not communicated a specific reason for the denial**
100 **shall not be considered denied under this section or section 376.384.**

101 10. [Requests for additional information shall specify what additional
102 information is necessary to process the claim for payment. Information requested
103 shall be reasonable and pertain to the health carrier's determination of
104 liability. The health carrier shall acknowledge receipt of the requested additional
105 information to the claimant within five working days or pay the claim.] **Any**
106 **request for additional information shall be reasonable in scope and**
107 **pertain solely to the health carrier's determination of liability.**

Bill ✓

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