

SECOND REGULAR SESSION

HOUSE BILL NO. 2089

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SCHROER.

4679H.021

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 376.383, RSMo, and to enact in lieu thereof one new section relating to health carrier interest penalties on 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Section A. Section 376.383, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.383, to read as follows: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 terms shall mean:

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

(2) "Clean claim", a claim that has no defect, impropriety, lack of any required substantiating documentation, or particular circumstance requiring special treatment that prevents timely payment;

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

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

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

(6) "Health carrier", health carrier as defined in section 376.1350 and any self-insured health plan, to the extent allowed by federal law; except that health carrier shall not include a workers' compensation carrier providing benefits to an employee pursuant to chapter 287. For the purposes of this section and section 376.384, third-party contractors are health carriers;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (7) "Processing days", number of days the health carrier or any of its agents, subsidiaries,
18 contractors, subcontractors, or third-party contractors has the claim in its possession. Processing
19 days shall not include days in which the health carrier is waiting for a response to a request for
20 additional information from the claimant;

21 (8) "Request for additional information", a health carrier's electronic or facsimile request
22 for additional information from the claimant specifying all of the documentation or information
23 necessary to process all of the claim, or all of the claim on a multi-claim form, as a clean claim
24 for payment;

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

27 2. Within forty-eight hours after receipt of an electronically filed claim by a health carrier
28 or a third-party contractor, a health carrier shall send an electronic acknowledgment of the date
29 of receipt.

30 3. Within thirty processing days after receipt of a filed claim by a health carrier or a
31 third-party contractor, a health carrier shall send an electronic or facsimile notice of the status
32 of the claim that notifies the claimant:

33 (1) Whether the claim is a clean claim as defined under this section; or

34 (2) The claim requires additional information from the claimant.

35

36 If the claim is a clean claim, then the health carrier shall pay or deny the claim. If the claim
37 requires additional information, the health carrier shall include in the notice a request for
38 additional information. If a health carrier pays the claim, this subsection shall not apply.

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

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

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

45 5. Within five processing days after the day on which the health carrier or a third-party
46 contractor receives the additional requested information in response to a final request for
47 information, it shall pay the claim or any undisputed part of the claim or deny the claim.

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

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

65 7. The department of commerce and insurance shall monitor denials and determine
66 whether the health carrier acted reasonably.

67 8. If a health carrier or third-party contractor has reasonable grounds to believe that a
68 fraudulent claim is being made, the health carrier or third-party contractor shall notify the
69 department of commerce and insurance of the fraudulent claim pursuant to sections 375.991 to
70 375.994.

71 9. Denial of a claim shall be communicated to the claimant and shall include the specific
72 reason why the claim was denied. Any claim for which the health carrier has not communicated
73 a specific reason for the denial shall not be considered denied under this section or section
74 376.384.

75 10. Requests for additional information shall specify all of the documentation and
76 additional information that is necessary to process all of the claim, or all of the claims on a
77 multi-claim form, as a clean claim for payment. Information requested shall be reasonable and
78 pertain solely to the health carrier's liability. The health carrier shall acknowledge receipt of the
79 requested additional information to the claimant within five calendar days or pay the claim.

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