

SECOND REGULAR SESSION

SENATE BILL NO. 850

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR O'LAUGHLIN.

Read 1st time January 9, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4605S.011

AN ACT

To repeal section 376.383, RSMo, and to enact in lieu thereof one new section relating to the prompt 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Section A. Section 376.383, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.383, to read as follows: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

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

20 376.384, third-party contractors are health carriers;

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

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

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

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

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

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

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

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

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

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

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

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

55 6. If the health carrier has not paid the claimant on or before the

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

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

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

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

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

92 the claim.

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