

SENATE SUBSTITUTE

FOR

HOUSE BILL NO. 259

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:

1 Section A. Section 376.383, RSMo, is repealed and one new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

4 376.383. 1. For purposes of this section and section
5 376.384, the following terms shall mean:

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

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

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

16 ~~[(3)]~~ (4) "Health carrier", health carrier as defined in
17 section 376.1350~~[,]~~ and any self-insured health plan, to the
18 extent allowed by federal law; except that health carrier shall
19 not include a workers' compensation carrier providing benefits to

1 an employee pursuant to chapter 287, RSMo. For the purposes of
2 this section and section 376.384, third-party contractors are
3 health carriers;

4 [(4)] (5) "Health care provider", health care provider as
5 defined in section 376.1350;

6 [(5)] (6) "Health care services", health care services as
7 defined in section 376.1350;

8 [(6)] (7) "Processing days", number of days the health
9 carrier or any of its agents, subsidiaries, contractors,
10 subcontractors, or third-party contractors has the claim in its
11 possession. Processing days shall not include days in which the
12 health carrier is waiting for a response to a request for
13 additional information from the claimant;

14 [(7)] (8) "Request for additional information", [when the
15 health carrier requests information from the claimant to
16 determine if all or part of the claim will be reimbursed] a
17 health carrier's electronic requests for additional information
18 from the claimant specifying all of the documentation or
19 information necessary to process all or part of the claim, or all
20 or part of the claims on a multi-claim form ,as clean claim for
21 payment;

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

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

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

5 3. Within ~~ten working~~ fifteen days after receipt of a
6 filed claim by a health carrier or a third-party contractor, a
7 health carrier shall[:

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

9 (2)] send an electronic notice of the status of the claim
10 that ~~includes~~ notifies the claimant:

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

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

15
16 If the claim is a clean claim, then the health carrier shall pay
17 the claim. If the claim requires additional information, the
18 health carrier shall include in the notice a request for
19 additional information. If a health carrier pays the claim,
20 [subdivisions (1) and (2)] this subsection shall not apply.

21 [3.] 4. Within fifteen days after receipt of additional
22 information by a health carrier or a third-party contractor, a
23 health carrier shall pay the claim or any undisputed part of the
24 claim in accordance with this section or send ~~a~~ an electronic
25 notice of receipt and status of the claim:

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

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

1 [4.] 5. Within fifteen days after the day on which the
2 health carrier or a third-party contractor receives the
3 additional requested information in response to a final request
4 for information, it shall pay the claim or any undisputed part of
5 the claim or deny [or suspend] the claim.

6 [5.] 6. If the health carrier has not paid the claimant on
7 or before the forty-fifth processing day from the date of receipt
8 of the claim, the health carrier shall pay the claimant one
9 percent interest per month and a penalty in an amount equal to
10 one-fifth of the claim per day. The interest and penalty shall
11 be calculated based upon the unpaid balance of the claim as of
12 the forty-fifth processing day. The interest and penalty paid
13 pursuant to this subsection shall be included in any late
14 reimbursement without the necessity for the person that filed the
15 original claim to make an additional claim for that interest and
16 penalty. A health carrier may combine interest payments and make
17 payment once the aggregate amount reaches [five] one hundred
18 dollars. Any claim which has been properly denied before the
19 forty-fifth processing day under this section and section 376.384
20 shall not be subject to interest or penalties. Such interest and
21 penalties shall cease to accrue on the day after a petition is
22 filed in a court of competent jurisdiction to recover payment of
23 such claim. Upon a finding by a court of competent jurisdiction
24 that the health carrier failed to pay a claim, interest, or
25 penalty without good cause, the court shall enter judgment for
26 reasonable attorney fees for services necessary for recovery.
27 Upon a finding that a health care provider filed suit without
28 reasonable grounds to recover a claim, the court shall award the

1 health carrier reasonable attorney fees necessary to the defense.

2 [6. If a health carrier fails to pay, deny or suspend the
3 claim within forty processing days, and has received, on or after
4 the fortieth day, notice from the health care provider that such
5 claim has not been paid, denied or suspended, the health carrier
6 shall, in addition to monthly interest due, pay to the claimant
7 per day an amount of fifty percent of the claim but not to exceed
8 twenty dollars for failure to pay all or part of a claim or
9 interest due thereon or deny or suspend as required by this
10 section. Such penalty shall not accrue for more than thirty days
11 unless the claimant provides a second written or electronic
12 notice on or after the thirty days to the health carrier that the
13 claim remains unpaid and that penalties are claimed to be due
14 pursuant to this section. Penalties shall cease if the health
15 carrier pays, denies or suspends the claim. Said penalty shall
16 also cease to accrue on the day after a petition is filed in a
17 court of competent jurisdiction to recover payment of said claim.
18 Upon a finding by a court of competent jurisdiction that the
19 health carrier failed to pay a claim, interest or penalty without
20 reasonable cause, the court shall enter judgment for reasonable
21 attorney fees for services necessary for recovery. Upon a
22 finding that a provider filed suit without reasonable grounds to
23 recover a claim, the court shall award the health carrier
24 reasonable attorney fees necessary to the defense.]

25 7. The department of insurance, financial institutions and
26 professional registration shall monitor [suspensions] denials and
27 determine whether the health carrier acted reasonably.

28 8. If a health carrier or third-party contractor has

1 reasonable grounds to believe that a fraudulent claim is being
2 made, the health carrier or third-party contractor shall notify
3 the department of insurance, financial institutions and
4 professional registration of the fraudulent claim pursuant to
5 sections 375.991 to 375.994, RSMo.

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

11 10. Requests for additional information shall specify
12 **[what]** all of the documentation and additional information that
13 is necessary to process all of the claim, or all of the claims on
14 a multi-claim form, as a clean claim for payment. Information
15 requested shall be reasonable and pertain solely to the health
16 carrier's determination of liability. The health carrier shall
17 acknowledge receipt of the requested additional information to
18 the claimant within five working days or pay the claim.