

SECOND REGULAR SESSION

HOUSE BILL NO. 1430

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HARRIS (23) (Sponsor), JOHNSON (61), JOHNSON (90), RANSDALL, WHORTON, JOLLY, DOUGHERTY, SELBY, DAVIS (122), SHOEMYER, DAUS, WARD, WILLOUGHBY, ZWEIFEL, BISHOP, SEIGFREID, YAEGER, LeVOTA, BURNETT, WILDBERGER, WALSH, GRAHAM, RIBACK WILSON (25), KUESSNER, GEORGE, DONNELLY, BARNITZ, LIESE, SKAGGS, KRATKY, HARRIS (110), CAMPBELL, JONES, WALKER, DARROUGH, WITTE, FRASER, CARNAHAN, BLAND, HILGEMANN, VOGT, HOSKINS, GREEN, HENKE, LOWE, MEINERS, SAGER, VILLA, WALTON, MUCKLER, YOUNG AND SWINGER (Co-sponsors).

Read 1st time February 9, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4481L.011

AN ACT

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

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Section A. Section 376.383, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.383, to read as follows: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) "Deny" or "denial", when the health carrier refuses to reimburse all or part of the claim;

(3) "Health carrier", health carrier as defined in section 376.1350, except that health carrier shall not include a workers' compensation carrier providing benefits to an employee pursuant to chapter 287, RSMo;

(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;

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

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

16 (7) "Request for additional information", when the health carrier requests information
17 from the claimant to determine if all or part of the claim will be reimbursed;

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

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

23 2. Within [~~ten~~] **seven** working days after receipt of a claim by a health carrier or a
24 third-party contractor, a health carrier shall:

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

26 (2) Send notice of the status of the claim that includes a request for additional
27 information.

28

29 If a health carrier pays the claim, subdivisions (1) and (2) shall not apply.

30 3. Within [~~fifteen~~] **twelve** days after receipt of additional information by a health carrier
31 or a third-party contractor, a health carrier shall pay the claim or any undisputed part of the claim
32 in accordance with this section or send a notice of receipt and status of the claim:

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

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

35 4. Within [~~fifteen~~] **twelve** days after the day on which the health carrier or a third-party
36 contractor receives the additional requested information in response to a final request for
37 information, it shall pay the claim or any undisputed part of the claim or deny or suspend the
38 claim.

39 5. If the health carrier has not paid the claimant on or before the [~~forty-fifth~~] **thirty-fifth**
40 day from the date of receipt of the claim, the health carrier shall pay the claimant [~~one~~] **two**
41 percent interest per month. The interest shall be calculated based upon the unpaid balance of the
42 claim. The interest paid pursuant to this subsection shall be included in any late reimbursement
43 without the necessity for the person that filed the original claim to make an additional claim for
44 that interest. A health carrier may combine interest payments and make payment once the
45 aggregate amount reaches five dollars.

46 6. If a health carrier fails to pay, deny or suspend the claim within [~~forty~~] **thirty**
47 processing days, and has received, on or after the [~~fortieth~~] **thirtieth** day, notice from the health
48 care provider that such claim has not been paid, denied or suspended, the health carrier shall, in

49 addition to monthly interest due, pay to the claimant per day an amount of fifty percent of the
50 claim but not to exceed twenty dollars for failure to pay all or part of a claim or interest due
51 thereon or deny or suspend as required by this section. Such penalty shall not accrue for more
52 than thirty days unless the claimant provides a second written or electronic notice on or after the
53 thirty days to the health carrier that the claim remains unpaid and that penalties are claimed to
54 be due pursuant to this section. Penalties shall cease if the health carrier pays, denies or suspends
55 the claim. Said penalty shall also cease to accrue on the day after a petition is filed in a court of
56 competent jurisdiction to recover payment of said claim. Upon a finding by a court of competent
57 jurisdiction that the health carrier failed to pay a claim, interest or penalty without reasonable
58 cause, the court shall enter judgment for reasonable attorney fees for services necessary for
59 recovery. Upon a finding that a provider filed suit without reasonable grounds to recover a
60 claim, the court shall award the health carrier reasonable attorney fees necessary to the defense.

61 7. The department of insurance shall monitor suspensions and determine whether the
62 health carrier acted reasonably.

63 8. If a health carrier or third-party contractor has reasonable grounds to believe that a
64 fraudulent claim is being made, the health carrier or third-party contractor shall notify the
65 department of insurance of the fraudulent claim pursuant to sections 375.991 to 375.994, RSMo.

66 9. Denial of a claim shall be communicated to the claimant and shall include the specific
67 reason why the claim was denied.

68 10. Requests for additional information shall specify what additional information is
69 necessary to process the claim for payment. Information requested shall be reasonable and
70 pertain to the health carrier's determination of liability. The health carrier shall acknowledge
71 receipt of the requested additional information to the claimant within five working days or pay
72 the claim.