HB 1498 -- Health Insurance Claims Reimbursements

Sponsor: Jones (89)

This bill changes the laws regarding the requirements for reimbursing health insurance claims. In its main provisions, the bill:

(1) Requires health insurance carriers, including third-party contractors, to send an electronic acknowledgment of the date of receipt within two working days after an electronically filed health care claim is received;

(2) Increases the length of time, from within 10 working days to within 15 days, that a health insurance carrier or a third-party contractor has to send an electronic notice of the status of a health care claim that notifies the claimant whether the claim has any reason which will prevent timely payment or if more information is required. If the claim is properly filed, the carrier must pay or deny the claim;

(3) Adds a penalty equal to one-tenth of the total claim amount per day on unpaid claims if a carrier has not reimbursed a claimant within 45 processing days of receiving the claim;

(4) Increases the amount at which a carrier can combine interest and payments on unpaid claims from $5 to $100, except for claims that were properly denied prior to the forty-fifth processing day;

(5) Removes the current penalty imposed on carriers that do not take any action within 40 processing days including notification, payment, denial, or suspension on received claims;

(6) Specifies that a claim for which a carrier has not communicated a specific reason for the denial of reimbursement cannot be considered denied;

(7) Changes the procedures a carrier must follow when requesting additional information to process a claim;

(8) Prohibits a carrier from requesting a refund or offset against a claim that was paid more than 12 months prior, except in cases of fraud or misrepresentation by the provider; and

(9) Requires, beginning January 1, 2011, a carrier responding to a patient financial responsibility inquiry utilizing specified federal electronic eligibility response transaction code sets to include all six eligibility or benefit information codes. The Department of Insurance, Financial Institutions and Professional

Registration must develop a set of best practices to be used by carriers and providers to standardize the electronic data exchange.