HOUSE DOCKET, NO. 2325 FILED ON: 1/20/2011

HOUSE . . . . . No. 2098

The Commonwealth of Massachusetts

PRESENTED BY:

Joyce A. Spiliotis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to the electronic submission of claims.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Joyce A. Spiliotis	*12th Essex*

HOUSE DOCKET, NO. 2325 FILED ON: 1/20/2011

HOUSE . . . . . No. 2098

By Ms. Spiliotis of Peabody, a petition (accompanied by bill, House, No. 2098) of Joyce A. Spiliotis relative to the electronic submission of health care claims. Health Care Financing.

The Commonwealth of Massachusetts

An Act relative to the electronic submission of claims.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 108 of Chapter 175 of the General Laws, as appearing in the Official Edition, is hereby amended by striking out subsection 4(c) and inserting in place thereof the following:

4(c). Within fifteen days after an insurer's receipt of notice of claim by a claimant or provider under a policy of accident and sickness insurance which is delivered or issued for delivery in the commonwealth, and which provides hospital expense, medical expense, surgical expense or dental expense insurance, the insurer shall furnish such forms as are usually furnished by it for filing proofs of loss. Within forty-five days from said receipt of notice if payment is not made the insurer shall notify the claimant in writing specifying the reasons for the nonpayment or whatever further documentation is necessary for payment of said claim within the terms of the policy. If the insurer fails to comply with the provisions of this paragraph, said insurer shall pay, in addition to any benefits which inure to such claimant or provider, interest on such benefits, which shall accrue beginning forty-five days after the insurer's receipt of notice of claim at the rate of one and one-half percent per month, not to exceed eighteen percent per year. The provisions of this paragraph relating to interest payments shall not apply to a claim which an insurer is investigating because of suspected fraud. Beginning on January 1, 2006, the provisions of this paragraph shall only apply to claims for reimbursement submitted electronically.

SECTION 2. Section 110 of Chapter 175 of the General Laws, as appearing in the Official Edition, is hereby amended by striking out subsection (G) and inserting in place thereof the following:

(G) For purposes of this section the term ""notice of a claim" shall mean any notification whether in writing or otherwise, to an insurer or its authorized agent, by any person, firm, association, or corporation asserting right to payment under a policy of insurance which reasonably apprises the insurer of the existence of a claim.

25 Within fifteen days after an insurer's receipt of notice of claim by a claimant under a
26 general or blanket policy of accident and sickness insurance which is delivered or issued for
27 delivery in the commonwealth, and which provides hospital expense, medical expense, surgical
28 expense or dental expense insurance, the insurer shall furnish such forms as are usually furnished
29 by it for filing proofs of loss. Within forty-five days from said receipt of notice if payment is not
30 made the insurer shall notify the claimant in writing specifying the reasons for the nonpayment
31 or whatever further documentation is necessary for payment of said claim within the terms of the
32 policy. If the insurer fails to comply with the provisions of this paragraph, said insurer shall pay,
33 in addition to any benefits which inure to such claimant or provider, interest on such benefits,
34 which shall accrue beginning forty-five days after the insurer's receipt of notice of claim at the
35 rate of one and one-half percent per month, not to exceed eighteen percent per year. The
36 provisions of this paragraph relating to interest payments shall not apply to a claim which an
37 insurer is investigating because of suspected fraud. Beginning on January 1, 2008, the provisions
38 of this paragraph shall only apply to claims for reimbursement submitted electronically.

39 SECTION 3. Chapter 176G of the General Laws, as appearing in the Official Edition, is
40 hereby amended by striking out section 6 and inserting in place thereof the following:

41 Section 6. A health maintenance organization may enter into contractual arrangements
42 with any other person or company for the provision, to the health maintenance organization, of
43 health services, insurance, reinsurance and administrative, marketing, underwriting or other
44 services on a nondiscriminatory basis. A health maintenance organization shall not refuse to
45 contract with or compensate for covered services an otherwise eligible provider solely because
46 such provider has in good faith communicated with one or more of his current, former or
47 prospective patients regarding the provisions, terms or requirements of the organization's
48 products as they relate to the needs of such provider's patients. No contract between a
49 participating provider of health care services and a health maintenance organization shall be
50 issued or delivered in the commonwealth unless it contains a provision requiring that within 45
51 days after the receipt by the organization of completed forms for reimbursement to the provider
52 of health care services, the health maintenance organization shall (i) make payments for such
53 services provided, (ii) notify the provider in writing of the reason or reasons for nonpayment, or
54 (iii) notify the provider in writing of what additional information or documentation is necessary
55 to complete said forms for such reimbursement. If the health maintenance organization fails to
56 comply with this paragraph for any claims related to the provision of health care services, said
57 health maintenance organization shall pay, in addition to any reimbursement for health care
58 services provided, interest on such benefits, which shall accrue beginning 45 days after the health
59 maintenance organization's receipt of request for reimbursement at the rate of 1.5 per cent per
60 month, not to exceed 18 per cent per year. The provisions of this paragraph relating to interest
61 payments shall not apply to a claim that the health maintenance organization is investigating
62 because of suspected fraud. Beginning on January 1, 2008, the provisions of this paragraph shall
63 only apply to claims for reimbursement submitted electronically.

64 SECTION 4. Chapter 176I of the General Laws, as appearing in the Official Edition, is
65 hereby amended by striking section 2 and inserting in place thereof the following:

66 Section 2. An organization may enter into a preferred provider arrangement with one or
67 more health care providers upon a determination by the commissioner that the organization and
68 the arrangement comply with the requirements of this chapter and the regulations hereunder. An
69 organization shall not condition its willingness to allow any health care provider to participate in
70 a preferred provider arrangement on such health care provider's agreeing to enter into other
71 contracts or arrangements with the organization that are not part of or related to such preferred
72 provider arrangements. An organization shall not refuse to contract with or compensate for
73 covered services an otherwise eligible participating or nonparticipating provider solely because
74 such provider has in good faith communicated with one or more of his current, former or
75 prospective patients regarding the provisions, terms or requirements of the organization's
76 products as they relate to the needs of such provider's patients. An organization shall submit
77 information concerning any proposed preferred provider arrangements to the commissioner for
78 approval in accordance with regulations promulgated by the commissioner. Said regulations shall
79 comply with the applicable provisions of chapter thirty A of the General Laws. Said information
80 shall include at least the following: (a) a description of the health services and any other benefits
81 to which the covered person is entitled; (b) a description of the locations where and the manner
82 in which health services and other benefits may be obtained; (c) a copy of the evidence of
83 coverage; (d) copies of any contracts with preferred providers; (e) a description of the rating
84 methodology and rates. The arrangement shall meet the following standards: (a) Standards for
85 maintaining quality health care, including satisfying any quality assurance regulations
86 promulgated by any state agency; (b) Standards for controlling health care costs; (c) Standards
87 for assuring reasonable levels of access of health care services and an adequate number and
88 geographical distribution of preferred providers to render those services; (d) Standards for
89 assuring appropriate utilization of health care service; and (e) Other standards deemed
90 appropriate by the commissioner.

91 No organization may enter into a preferred provider arrangement with one or more health
92 care providers unless said written arrangement contains a provision requiring that within 45 days
93 after the receipt by the organization of completed forms for reimbursement to the health care
94 provider, the organization shall (i) make payments for the provision of such services, (ii) notify
95 the provider in writing of the reason or reasons for nonpayment, or (iii) notify the provider in
96 writing of what additional information or documentation is necessary to complete said forms for
97 such reimbursement. If the organization fails to comply with the provisions of this paragraph for
98 any claims related to the provision of health care services, said organization shall pay, in addition
99 to any reimbursement for health care services provided, interest on such benefits, which shall
100 accrue beginning 45 days after the organization's receipt of request for reimbursement at the rate
101 of 1.5 per cent per month, not to exceed 18 per cent per year. The provisions of this paragraph
102 relating to interest payments shall not apply to a claim that the organization is investigating

103 because of suspected fraud. Beginning on January 1, 2008, the provisions of this paragraph shall
104 only apply to claims for reimbursement submitted electronically.