

By: Kirby

To: Insurance

SENATE BILL NO. 2997

1 AN ACT TO REQUIRE PROMPT PAYMENT BY HEALTH PLAN COMPANIES AND  
2 THIRD-PARTY ADMINISTRATORS OF CLEAN CLAIMS FOR HEALTH CARE  
3 SERVICES; TO AUTHORIZE ADMINISTRATIVE FINES FOR VIOLATIONS OF THE  
4 ACT; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. (1) As used in this act unless the context  
7 clearly indicates otherwise:

8 (a) "Clean claim" means a claim that has no defect or  
9 impropriety, including any lack of any required substantiating  
10 documentation, or particular circumstance requiring special  
11 treatment that prevents timely payment from being made on a claim  
12 under this section.

13 (b) "Third-party administrator" means a third-party  
14 administrator as defined in Section 83-18-1.

15 (2) This act applies to clean claims submitted to a health  
16 plan company or third-party administrator for services provided by  
17 any health care provider or health care facility. All health plan  
18 companies and third-party administrators must issue, mail or  
19 otherwise transmit payment:

20 (a) For paper claims that are clean claims, within  
21 thirty (30) calendar days after the date upon which the health  
22 plan company or third-party administrator received the claim; and

23 (b) For electronic claims that are clean claims, within  
24 fourteen (14) calendar days after the date upon which the health  
25 plan company or their-party administrator received the claim.

26 (3) If a health plan company or third-party administrator  
27 does not issue, mail or otherwise transmit payment within the

28 period provided in subsection (2), the health plan company or  
29 third-party administrator must pay interest on the claim for the  
30 period beginning on the day after the required payment date  
31 specified in subsection (2) and ending on the date on which the  
32 health plan company or third-party administrator makes the  
33 payment. The interest must be calculated and disbursed in the  
34 same manner as under United States Code, Title 42, Section  
35 1395h(g). In any payment, the health plan company or third-party  
36 administrator must itemized any interest payment being made  
37 separately from other payments being made for services provided.

38 (4) The rate of interest paid by a health plan company or  
39 third-party administrator under this act shall be one and one-half  
40 percent (1.5%) per month of any part of a month.

41 (5) (a) A health care provider or health care facility may  
42 report any violation of subsection (2), by a health plan company  
43 or third-party administrator to the commissioner with regulatory  
44 authority over the health plan company or third-party  
45 administrator.

46 (b) If the Commissioner of Insurance determines that a  
47 health plan company or third-party administrator violated  
48 subsection (2) ten (10) times or more in a calendar year for a  
49 single individual or entity submitting claims, the commissioner  
50 shall levy a fine not to exceed Five Thousand Dollars (\$5,000.00)  
51 upon the tenth violation. The fine collected shall be divided  
52 equally between the Department of Insurance Special Fund and the  
53 individual or entity that submitted the claims. The commissioner  
54 shall give reasonable notice in writing to the health plan company  
55 or third-party administrator of the intent to levy a fine and the  
56 reasons for the fine.

57 SECTION 2. This act shall take effect and be in force from  
58 and after July 1, 2000.