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SENATE BILL 164

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Dede Feldman

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO HEALTH; PROVIDING REQUIREMENTS FOR CERTAIN HEALTH
PLANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. HEALTH PLAN REQUIREMENTS.--

A. As used in this section:

(1) "clean claim" means a manually or
electronically submitted claim from a participating provider
that:

(a) contains substantially all the
required data elements necessary for accurate adjudication
without the need for additional information from outside of
the health plan's system;

(b) is not materially deficient or
improper, including lacking substantiating documentation
currently required by the health plan; or

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1 (c) has no particular or unusual
2 circumstances requiring special treatment that prevent
3 payment from being made by the health plan within thirty days
4 of the date of receipt if submitted electronically or forty-
5 five days if submitted manually; and

6 (2) "health plan" means health maintenance
7 organizations, provider service networks or third party
8 payers or their agents.

9 B. A health plan shall provide for payment of
10 interest on the plan's liability at the rate of one and one-
11 half percent a month on:

12 (1) the amount of a clean claim
13 electronically submitted by the participating provider and
14 not paid within thirty days of the date of receipt; and

15 (2) the amount of a clean claim manually
16 submitted by the participating provider and not paid within
17 forty-five days of the date of receipt.

18 C. If a health plan is unable to determine
19 liability for or refuses to pay a claim of a participating
20 provider within the times specified in Subsection B of this
21 section, the health plan shall make a good-faith effort to
22 notify the participating provider by fax, electronic or other
23 written communication within thirty days of receipt of the
24 claim if submitted electronically or forty-five days if
25 submitted manually of all specific reasons why it is not
liable for the claim or that specific information is required
to determine liability for the claim.

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D. No contract between a health plan and a participating provider shall include a clause that has the effect of relieving either party of liability for its actions or inactions.

E. By December 1, 2000, the insurance division of the public regulation commission, with input from interested parties, including health plans and participating providers, shall promulgate rules to require health plans to provide:

- (1) timely participating provider access to claims status information;
- (2) processes and procedures for submitting claims and changes in coding for claims;
- (3) standard claims forms; and
- (4) uniform calculation of interest.