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SENATE BILL 49

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 1999

INTRODUCED BY

Stuart Ingle

AN ACT

**RELATING TO HEALTH; ENACTING A NEW SECTION OF CHAPTER 59A,
ARTICLE 46 NMSA 1978 TO PROVIDE CERTAIN RIGHTS TO
PARTICIPATING PROVIDERS IN THE PROVISION OF HEALTH CARE TO
PERSONS HAVING COVERAGE THROUGH HEALTH MAINTENANCE
ORGANIZATIONS.**

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

**Section 1. A new section of Chapter 59A, Article 46 NMSA
1978 is enacted to read:**

**"NEW MATERIAL REQUIRED CONTRACT PROVISION FOR PAYMENT
OF INTEREST ON "CLEAN CLAIMS" SUBMITTED BY PARTICIPATING
PROVIDER AND NOT PAID WITHIN THIRTY DAYS. --**

**A. As used in this section, "clean claim" means a
manually or electronically submitted claim that:**

- (1) contains all the required data elements**

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1 necessary for accurate adjudication without the need for
2 additional information from outside of the health maintenance
3 organization's system;

4 (2) is not materially deficient, including
5 lacking substantiating documentation currently required by the
6 health maintenance organization; or

7 (3) has no particular or unusual
8 circumstances requiring special treatment that prevents timely
9 payment from being made by the health maintenance organization
10 within thirty days of the date of submittal.

11 B. A contract between a health maintenance
12 organization and a participating provider shall provide for
13 payment of interest at the rate of one and one-half percent a
14 month, compounded monthly, on the amount of a clean claim
15 submitted by the participating provider and not paid within
16 thirty days of the date of submittal.

17 C. If a health maintenance organization is unable
18 to determine liability for or refuses to pay a claim of a
19 participating provider within thirty days of the date of the
20 claim's submittal, that health maintenance organization shall
21 notify the participating provider in writing within thirty
22 days of receipt of the claim of the specific reasons why it is
23 not liable for the claim or that specific information is
24 required to determine liability for the claim.

25 D. No contract between a health maintenance

1 organization and a participating provider shall include a
2 clause that has the effect of relieving either party of
3 liability for its actions or inactions.

4 E. By December 1, 1999, the insurance division
5 shall promulgate rules to require health maintenance
6 organizations to provide timely notice to providers of claims
7 received that are submitted electronically by the provider.
8 The rule shall apply to private and governmental plans. "

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