

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILLS 164 & 317

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

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

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.

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

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

9 (1) timely participating provider access to
10 claims status information;

11 (2) processes and procedures for submitting
12 claims and changes in coding for claims;

13 (3) standard claims forms; and

14 (4) uniform calculation of interest.

underscored material = new
~~[bracketed material] = delete~~