

By Representative Effman

1 A bill to be entitled
2 An act relating to medicaid health maintenance
3 organizations; creating s. 409.91221, F.S.;
4 prescribing time for paying claims for services
5 or goods by a provider; providing procedures
6 for denying or contesting a claim; providing
7 time limitations; providing notice; providing
8 method for making payments, denying or
9 contesting a claim, providing notice; providing
10 interest on overdue payment of claim; providing
11 for a waiver of a medicaid health maintenance
12 organization's rights under a provider contract
13 and consequences for failure of an organization
14 to comply with the provisions of the act;
15 providing an effective date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Section 409.91221, Florida Statutes, is
20 created to read:

21 409.91221 Provider contracts; payment of claims.--

22 (1)(a) A medicaid health maintenance organization
23 shall pay any claim or any portion of a claim made by a
24 contract provider for services or goods provided under a
25 contract with the health maintenance organization which the
26 organization does not contest or deny within 35 days after the
27 provider mails or electronically transfers the claim to the
28 medicaid health maintenance organization.

29 (b) A medicaid health maintenance organization that
30 denies or contests a provider claim shall notify the contract
31 provider, in writing, within 35 days after the claim was

1 mailed or electronically transferred that the claim is
2 contested or denied. The notice that the claim is denied or
3 contested must identify the contested portion of the claim and
4 the specific reason for contesting or denying the claim, and
5 may include a request for additional information. If the
6 medicaid health maintenance organization requests additional
7 information, the provider shall, within 35 days after receipt
8 of such request, mail or electronically transfer the
9 information to the medicaid health maintenance organization.
10 The medicaid health maintenance organization shall pay or deny
11 the claim or portion of the claim within 45 days after the
12 information was mailed or electronically transferred.

13 (2) Payment of a claim is considered made on the date
14 the payment was mailed or electronically transferred or
15 otherwise delivered. An overdue payment of a claim bears
16 simple interest at the rate of 10 percent per year.

17 (3) A medicaid health maintenance organization that
18 violates this section is considered to have waived its rights
19 under the contract and shall pay the entire amount of the
20 claim presented by the provider.

21 Section 2. This act shall take effect July 1, 1997.

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24 SENATE SUMMARY

25 Prescribes time for a medicaid health maintenance
26 organization to pay claims for services or goods by a
27 health care provider. Provides procedures for denying or
28 contesting a claim. Provides time limitations. Provides
29 notice. Provides method for making payments, denying or
30 contesting a claim, and providing notice. Provides 10
31 percent per year interest on overdue payment of claim.
Provides for a waiver of a medicaid health maintenance
organization's rights under a provider contract and
consequences for failure of an organization to comply
with the provisions of the act.