

By Senator Silver

38-397-98

1                                   A bill to be entitled  
2           An act relating to health maintenance  
3           organizations; requiring a health maintenance  
4           organization to reimburse providers of covered  
5           services for services provided to the  
6           organization's members; providing guidelines  
7           for such reimbursement; providing penalties for  
8           noncompliance; providing for interest on  
9           overdue claims payments; providing an exception  
10          for good faith disputes over the legitimacy of  
11          claims or the amount of reimbursement;  
12          providing an effective date.

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

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16           Section 1. (1) For covered services provided to its  
17 members, a health maintenance organization shall reimburse any  
18 provider within 30 days after the receipt of a claim that is  
19 accompanied by all reasonable and necessary documentation.

20           (2) If a health maintenance organization fails to  
21 comply with the requirements of subsection (1), the health  
22 maintenance organization must pay interest beginning with the  
23 31st day on the amount of the claim which remains unpaid after  
24 30 days following the receipt of the claim. The interest  
25 payable is at the rate of 1.5 percent per month simple  
26 interest, prorated for any portion of a month.

27           (3) Except as provided in subsection (4), when a  
28 health maintenance organization pays a claim more than 30 days  
29 after its receipt, the organization shall add the interest  
30 payable to the amount of the unpaid claim without the

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1 necessity for any claim for that interest being made by the  
2 provider filing the original claim.

3 (4) This section does not apply to claims when there  
4 is a good-faith dispute regarding the legitimacy of the claim  
5 or the appropriate amount of reimbursement, and the health  
6 maintenance organization:

7 (a) Notifies the provider within 2 weeks of the receipt  
8 of the claim that the legitimacy of the claim or the  
9 appropriate amount of reimbursement is in dispute;

10 (b) Supplies in writing to the provider the specific  
11 reasons why the legitimacy of the claim, or a portion of the  
12 claim, or the appropriate amount of reimbursement is in  
13 dispute;

14 (c) Pays any undisputed portion of the claim within 30  
15 days of the receipt of the claim; and

16 (d) Makes a good-faith, timely effort to resolve the  
17 dispute.

18 Section 2. This act shall take effect July 1, 1998.

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21 SENATE SUMMARY

22 Requires health maintenance organizations to reimburse  
23 providers of covered services for services provided to  
24 the organizations' members. Provides guidelines for such  
25 reimbursements. Provides penalties for noncompliance.  
26 Provides for interest to be assessed on overdue claims  
27 payments. Provides an exception from the requirements for  
28 organizations involved in good-faith disputes over the  
29 legitimacy of claims or the amount of reimbursement.  
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