

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:

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

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

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

B. A contract between a health maintenance
organization and a participating provider shall provide for
payment of interest at the rate of one and one-half percent

a month, compounded monthly, on:

(1) the amount of a clean claim submitted by the participating provider and not paid within thirty days of the date of submittal; and

(2) the portion of a claim submitted to the health maintenance organization by the participating provider for payment that is not in dispute and does not require additional information for adjudication if the organization fails to pay the undisputed or substantiated portion of the claim within thirty days of the date of its submittal.

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

D. No contract between a health maintenance organization 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, 1999, the insurance division shall promulgate rules to require health maintenance organizations to provide timely notice to providers of claims received, whether the claims are submitted electronically or manually by the provider. The rule shall apply to private

and governmental plans." _____

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