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SENATE BILL 403

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

INTRODUCED BY

Timothy Z. Jennings

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 substantially all the required

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

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

7 (3) has no particular or unusual
8 circumstances requiring special treatment that prevents
9 adjudication and payment within thirty days of the date of
10 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:

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

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

24 C. If a health maintenance organization is unable
25 to determine liability for or refuses to pay a claim of a

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1 participating provider within thirty days of the date of the
2 claim's submittal, that health maintenance organization shall
3 notify the participating provider in writing within thirty
4 days of receipt of the claim of the specific reasons why it is
5 not liable for the claim or that specific information is
6 required to determine liability for the claim.

7 D. No contract between a health maintenance
8 organization and a participating provider shall include a
9 clause that requires the provider to indemnify the
10 organization or otherwise assume sole liability for liability
11 arising out of and inherent in the provision of health care
12 services. "

1 FORTY-FOURTH LEGISLATURE

SB 403/a

2 FIRST SESSION, 1999

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6 February 16, 1999

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8 Mr. President:

9
10 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
11 whom has been referred

12
13 SENATE BILL 403

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17
18 1. On page 3, line 9, after "that" strike the remainder of
19 the line and strike all of lines 10 through 12 and insert in
20 lieu thereof "has the effect of relieving either party of
21 liability for its actions or inactions. "".

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23 Respectfully submitted,

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FIRST SESSI ON, 1999

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Roman M. Maes, Chair man

Adopted _____ Not

Adopted _____

(Chi ef Clerk)

(Chi ef Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Maci as, Robi nson

Absent: None

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 March 9, 1999

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8 Mr. Speaker:

9
10 Your CONSUMER AND PUBLIC AFFAIRS COMMITTEE, to
11 whom has been referred

12
13 SENATE BILL 403, as amended

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17 1. Strike Senate Corporations and Transportation
18 Committee Amendment 1.

19
20 2. On page 1, line 25, strike "substantially".

21
22 3. On page 2, line 4, after "deficient" insert "or
23 improper".

24 4. On page 2, line 6, strike "and" and insert in lieu
25 thereof "or".

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HCPAC/SB 403, aa

Page 8

5. On page 2, line 9, strike "adjudication and payment" and insert in lieu thereof "timely payment from being made by the health maintenance organization".

6. On page 3, line 9, after "that" strike the remainder of the line, strike all of lines 10 through 12 and insert in lieu thereof:

"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. ""

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HCPAC/SB 403, aa

Page 9

Respectfully submitted,

Patsy Trujillo Knauer, Chairwoman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 4 For 0 Against

Yes: 4

Excused: Hamilton, Hawkins, Vaughn

Absent: None

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