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SENATE BILL 4

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL 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:**

underscored material = new
[bracketed material] = delete

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

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

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

12 B. A contract between a health maintenance
13 organization and a participating provider shall provide for
14 payment of interest at the rate of one and one-half percent a
15 month, compounded monthly, on:

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

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

25 C. If a health maintenance organization is unable

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

8 D. No contract between a health maintenance
9 organization and a participating provider shall include a
10 clause that has the effect of relieving either party of
11 liability for its actions or inactions.

12 E. By December 1, 1999, the insurance division
13 shall promulgate rules to require health maintenance
14 organizations to provide timely notice to providers of claims
15 received, whether the claims are submitted electronically or
16 manually by the provider. The rule shall apply to private and
17 governmental plans. "