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SENATE BILL 317

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO HEALTH; ENACTING A NEW SECTION OF THE HEALTH
MAINTENANCE ORGANIZATION LAW TO PROVIDE FOR INTEREST PAYMENTS
ON HEALTH PLAN LIABILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Health Maintenance
Organization Law is enacted to read:

"[NEW MATERIAL] PAYMENT OF INTEREST ON CLEAN CLAIMS
SUBMITTED BY PARTICIPATING PROVIDER AND NOT PAID WITHIN
THIRTY DAYS.--

A. A contract between a health plan and a
participating provider shall provide for payment of interest
at the rate of one and one-half percent per month, compounded
monthly beginning after ninety days of default, on:

(1) the amount of a clean claim
electronically submitted by the participating provider and

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1 not paid within thirty days of the date of receipt; and
2 (2) the amount of a clean claim manually
3 submitted by the participating provider and not paid within
4 forty-five days of the date of receipt.

5 B. If a health plan is unable to determine
6 liability for or refuses to pay a clean claim of a
7 participating provider within the times specified by this
8 section, the health plan shall make a good-faith effort to
9 notify the participating provider by facsimile, electronic or
10 other written communication within thirty days of receipt of
11 the claim, if submitted electronically, or forty-five days,
12 if submitted manually, of the specific reasons why it is not
13 liable for the clean claim or that specific information is
14 required to determine liability for the claim.

15 C. No contract between a health plan and a
16 participating provider shall include a clause that has the
17 effect of relieving either party of liability for its actions
18 or inactions.

19 D. As used in this section:
20 (1) "clean claim" means a manually or
21 electronically submitted claim from a participating provider
22 that:
23 (a) contains all the required data
24 elements necessary for accurate adjudication without the need
25 for additional information from outside of the health plan's
system;
(b) is not materially deficient or

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1 improper, and does not lack substantiating documentation
2 currently required by the health plan; or

3 (c) has no particular or unusual
4 circumstances requiring special treatment that prevent
5 payment from being made by the health plan within thirty days
6 of the date of receipt if submitted electronically, or forty-
7 five days if submitted manually; and

8 (2) "health plan" means a health maintenance
9 organization, provider service network or third party payer,
10 or any of its agents."