



Senate

General Assembly

January Session, 2001

File No. 313

Senate Bill No. 694

Senate, April 17, 2001

The Committee on Public Health reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT DEFINING HEALTH CARE PROVIDER FOR PURPOSES OF PROMPT PAYMENT OF HEALTH INSURANCE CLAIMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Subdivision (15) of section 38a-816 of the general statutes is repealed
2 and the following is substituted in lieu thereof:

3 (15) (A) Failure to pay accident and health claims, including, but not
4 limited to, claims for payment or reimbursement to health care
5 providers, within the time periods set forth in subparagraph (B) of this
6 subdivision, unless the Insurance Commissioner determines that a
7 legitimate dispute exists as to coverage, liability or damages or that the
8 claimant has fraudulently caused or contributed to the loss. Any
9 insurer who fails to pay such a claim or request within the time
10 periods set forth in subparagraph (B) of this subdivision shall pay the
11 claimant or health care provider the amount of such claim plus interest
12 at the rate of fifteen per cent per annum, in addition to any other
13 penalties which may be imposed pursuant to sections 38a-11, 38a-25,

14 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60, inclusive, 38a-62 to 38a-64,
15 inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to 38a-124, inclusive, 38a-129
16 to 38a-140, inclusive, 38a-146 to 38a-155, inclusive, 38a-283, 38a-288 to
17 38a-290, inclusive, 38a-319, 38a-320, 38a-459, 38a-464, 38a-815 to 38a-
18 819, inclusive, 38a-824 to 38a-826, inclusive, and 38a-828 to 38a-830,
19 inclusive. Whenever the interest due a claimant or health care provider
20 pursuant to this section is less than one dollar, the insurer shall deposit
21 such amount in a separate interest-bearing account in which all such
22 amounts shall be deposited. At the end of each calendar year each such
23 insurer shall donate such amount to The University of Connecticut
24 Health Center.

25 (B) Each insurer shall pay claims not later than forty-five days after
26 receipt by the insurer of the claimant's proof of loss form or the health
27 care provider's request for payment filed in accordance with the
28 insurer's practices or procedures, except that when there is a deficiency
29 in the information needed for processing a claim, the insurer shall (i)
30 send written notice to the claimant or health care provider, as the case
31 may be, of all alleged deficiencies in information needed for processing
32 a claim not later than thirty days after the insurer receives a claim for
33 payment or reimbursement under the contract, and (ii) pay claims for
34 payment or reimbursement under the contract not later than thirty
35 days after the insurer receives the information requested.

36 (C) As used in this subdivision, "health care provider" means a
37 person licensed to provide health care services under chapter 368v,
38 chapters 370 to 373, inclusive, 375 to 383b, inclusive, 384a to 384c,
39 inclusive, or chapter 400j.

PH *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: None

Explanation**State Impact:**

The bill defines a health care provider for the purposes of the prompt payment of health insurance claims. There is no fiscal impact for the Department of Insurance as a result of this bill.

OLR BILL ANALYSIS

SB 694

AN ACT DEFINING HEALTH CARE PROVIDER FOR PURPOSES OF PROMPT PAYMENT OF HEALTH INSURANCE CLAIMS.**SUMMARY:**

By law, insurers must pay claims within 45 days of receiving a health care provider's request for payment filed according to the insurer's practices. If the information needed to process the claim is deficient, the insurer must (1) send written notice to the provider of all alleged deficient information needed to process the claim within 30 days after the insurer receives the claim and (2) pay within 30 days after receiving the requested information.

This bill specifies that "health care provider", for purposes of prompt claims payment, include physicians and surgeons, chiropractors, naturopaths, podiatrists, athletic trainers, physical therapists, occupational therapists, alcohol and drug counselors, radiographers and radiologic technicians, midwives, nurses, nurse's aides, dentists, dental hygienists, optometrists, opticians, respiratory care practitioners, pharmacists, psychologists, marital and family therapists, clinical social workers, massage therapists, dietician-nutritionists, and acupuncturists. It also includes, under the bill, licensed health care institutions such as hospitals, residential care homes, health care facilities for the handicapped, nursing homes, rest homes, home health care agencies, homemaker-home health aide agencies, mental health facilities, substance abuse treatment facilities, student infirmaries, facilities providing services for the prevention, diagnosis and treatment of human health conditions, and residential facilities for the mentally retarded and certified by Medicaid as intermediate care facilities for the mentally retarded.

By law, insurers failing to make payments within the required times must pay the claimant the claim amount plus 15% annual interest. Failure to make these timely payments is also, under the law, an unfair method of competition or an unfair and deceptive act or practice in the

insurance business and subjects the violator to penalties including (1) a stop order, (2) monetary penalties, or (3) license surrender.

EFFECTIVE DATE: October 1, 2001

BACKGROUND

Related Bill

sHB 6729, favorably reported by the Public Health Committee, requires all entities responsible for payment under an insurance policy, not just insurers, to make timely payments to health care providers.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Report
Yea 24 Nay 0