



General Assembly

January Session, 2003

Committee Bill No. 351

LCO No. 3955

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING DEFICIENCIES IN INSURANCE CLAIM INFORMATION.

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

1 Section 1. Subdivision (15) of section 38a-816 of the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2003*):

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

17 addition to any other penalties which may be imposed pursuant to
18 sections 38a-11, 38a-25, 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60,
19 inclusive, 38a-62 to 38a-64, inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to
20 38a-124, inclusive, 38a-129 to 38a-140, inclusive, 38a-146 to 38a-155,
21 inclusive, 38a-283, 38a-288 to 38a-290, inclusive, 38a-319, 38a-320, 38a-
22 459, 38a-464, 38a-815 to 38a-819, inclusive, 38a-824 to 38a-826,
23 inclusive, and 38a-828 to 38a-830, inclusive. Whenever the interest due
24 a claimant or health care provider pursuant to this section is less than
25 one dollar, the insurer shall deposit such amount in a separate interest-
26 bearing account in which all such amounts shall be deposited. At the
27 end of each calendar year each such insurer shall donate such amount
28 to The University of Connecticut Health Center.

29 (B) Each insurer, or other entity responsible for providing payment
30 to a health care provider pursuant to an insurance policy subject to this
31 section, shall pay claims not later than forty-five days after receipt by
32 the insurer of the claimant's proof of loss form or the health care
33 provider's request for payment filed in accordance with the insurer's
34 practices or procedures, except that when there is a deficiency in the
35 information needed for processing a claim, as determined in
36 accordance with section 38a-477, as amended by this act, the insurer
37 shall (i) send written notice to the claimant or health care provider, as
38 the case may be, of all alleged deficiencies in information needed for
39 processing a claim not later than thirty days after the insurer receives a
40 claim for payment or reimbursement under the contract, and (ii) pay
41 claims for payment or reimbursement under the contract not later than
42 thirty days after the insurer receives the information requested.

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

47 Sec. 2. Section 38a-477 of the general statutes is repealed and the
48 following is substituted in lieu thereof (*Effective October 1, 2003*):

49 (a) Except where there is an agreement to the contrary between a
 50 third-party payer and the health care provider, as defined in section
 51 19a-17b, all health care providers shall submit all third-party claims for
 52 payment on the current standard Health Care Financing
 53 Administration Fifteen Hundred (HCFA1500) health insurance claim
 54 form or its successor, or in the case of a hospital or other health care
 55 institution, a [UB-82] Health Care Financing Administration UB-92
 56 health insurance claim form or its successor, or in accordance with
 57 other forms which may be prescribed by the Insurance Commissioner.

58 (b) For any claim submitted to an insurer on the current standard
 59 Health Care Financing Administration Fifteen Hundred health
 60 insurance claim form or its successor, if the following information is
 61 completed and received by the insurer, the claim may not be deemed
 62 to be deficient in the information needed for processing a claim
 63 pursuant to subdivision (15) of section 38a-816, as amended by this act.

T1	<u>Item Number</u>	<u>Item Description</u>
T2	<u>1a</u>	<u>Insured's identification number</u>
T3	<u>2</u>	<u>Patient's name</u>
T4	<u>3</u>	<u>Patient's birth date and sex</u>
T5	<u>4</u>	<u>Insured's name</u>
T6	<u>10a</u>	<u>Patient's condition - employment</u>
T7	<u>10b</u>	<u>Patient's condition - auto accident</u>
T8	<u>10c</u>	<u>Patient's condition - other accident</u>
T9	<u>11</u>	<u>Insured's policy group number</u>
T10		<u>(if provided on identification card)</u>
T11	<u>11d</u>	<u>Is there another health benefit plan?</u>
T12	<u>17a</u>	<u>Identification number of referring physician</u>
T13		<u>(if required by insurer)</u>
T14	<u>21</u>	<u>Diagnosis</u>
T15	<u>24A</u>	<u>Dates of service</u>
T16	<u>24B</u>	<u>Place of service</u>
T17	<u>24D</u>	<u>Procedures, services or supplies</u>
T18	<u>24E</u>	<u>Diagnosis code</u>
T19	<u>24F</u>	<u>Charges</u>
T20	<u>25</u>	<u>Federal tax identification number</u>

T21	<u>28</u>	<u>Total charge</u>
T22	<u>31</u>	<u>Signature of physician or supplier with date</u>
T23	<u>33</u>	<u>Physician's, supplier's billing name,</u>
T24		<u>address, zip code & telephone number</u>

64 (c) For any claim submitted to an insurer on the current standard
65 Health Care Financing Administration UB-92 health insurance claim
66 form or its successor, if the following information is completed and
67 received by the insurer, the claim may not be deemed to be deficient in
68 the information needed for processing a claim pursuant to subdivision
69 (15) of section 38a-816, as amended by this act.

	<u>Item Number</u>	<u>Item Description</u>
T25		
T26	<u>1</u>	<u>Provider name and address</u>
T27	<u>5</u>	<u>Federal tax identification number</u>
T28	<u>6</u>	<u>Statement covers period</u>
T29	<u>12</u>	<u>Patient name</u>
T30	<u>14</u>	<u>Patient's birth date</u>
T31	<u>15</u>	<u>Patient's sex</u>
T32	<u>17</u>	<u>Admission date</u>
T33	<u>18</u>	<u>Admission hour</u>
T34	<u>19</u>	<u>Type of admission</u>
T35	<u>21</u>	<u>Discharge hour</u>
T36	<u>42</u>	<u>Revenue codes</u>
T37	<u>43</u>	<u>Revenue description</u>
T38	<u>44</u>	<u>HCPCS/CPT4 codes</u>
T39	<u>45</u>	<u>Service date</u>
T40	<u>46</u>	<u>Service units</u>
T41	<u>47</u>	<u>Total charges by revenue code</u>
T42	<u>50</u>	<u>Payer identification</u>
T43	<u>51</u>	<u>Provider number</u>
T44	<u>58</u>	<u>Insured's name</u>
T45	<u>60</u>	<u>Patient's identification number (policy</u>
T46		<u>number and/or Social Security number)</u>
T47	<u>62</u>	<u>Insurance group number (if on identification</u>
T48		<u>card)</u>
T49	<u>67</u>	<u>Principal diagnosis code</u>
T50	<u>76</u>	<u>Admitting diagnosis code</u>
T51	<u>80</u>	<u>Principle procedure code and date</u>

T52 81 Other procedures code and date
T53 82 Attending physician's identification number

70 [(b)] (d) The commissioner may adopt regulations, in accordance
71 with [the provisions of] chapter 54, to implement the provisions of
72 [subsection (a) of] this section.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>

Statement of Purpose:

To clarify what constitutes a clean claim with respect to the timely payment of health insurance claims.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. CRISCO, 17th Dist.

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