

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1527

H.P. 1080

House of Representatives, February 25, 1999

An Act to Provide Equity in Reimbursement for Health Care Providers.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PERRY of Bangor.

Cosponsored by Representatives: BOLDUC of Auburn, DUNLAP of Old Town, FISHER of Brewer, RINES of Wiscasset.

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 24-A MRSA §2185-A is enacted to read:

§2185-A. Provider payments and controverted claims

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Health care provider" has the same meaning set forth in section 2204, subsection 13.

B. "Insured" means a person covered for health care services provided to that person under an insurance policy, health maintenance organization plan or subscriber contract or certificate of a nonprofit hospital or medical service organization.

C. "Insurer" means any insurance company, health maintenance organization or nonprofit hospital or medical service organization authorized to issue health care policies, plans, contracts or certificates in this State.

2. Provider payments. Except as provided in subsection 3, an insurer shall pay a health care provider for health care services provided to an insured within 30 days of receipt by the insurer of a claim for the services from the health care provider or insured.

3. Controverted claim. If the insurer controverts a claim submitted by a health care provider or insured, the insurer shall notify the health care provider and insured in writing that the claim is controverted. Health care services within the scope of the controverted claim provided to the insured by the health care provider after the provider receives the notice required by this subsection are not subject to the 30-day payment requirement of subsection 2.

4. Expenses related to controverted claim. If the insurer, any other entity pursuant to agreement by the insurer and insured or a court determines that the insurer is obligated to pay a controverted claim, the insurer shall pay in addition to the claim amount for:

A. Legal expenses incurred by the insured in pursuit of payment of the controverted claim; and

2 B. Health care services within the scope of the
4 controverted claim provided to the insured by a health care
6 provider after receipt of the notice described in subsection
8 3.

SUMMARY

10 This bill requires an insurer to pay health care providers
12 for health care services within 30 days of submission of a
14 claim. The bill permits one exception to this 30-day payment
16 requirement: When the insurer provides written notice that a
18 claim is controverted, the health care provider need not be paid
20 within 30 days for health care services within the scope of the
controverted claim provided after receipt of the notice. The
bill also requires that an insurer pay for these additional
health care services and any legal expenses incurred by the
insured in pursuit of payment of the controverted claim, when it
is determined that the insurer is obligated to pay the
controverted claim.