

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 554

H.P. 433

House of Representatives, February 6, 2001

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

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative PERRY of Bangor.

Cosponsored by Representatives: BULL of Freeport, DUNLAP of Old Town, JACOBS of Turner, THOMAS of Orono.

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

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

6 §2185-A. Provider payments and controverted claims

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

10 A. "Health care provider" has the same meaning as in
12 section 2204, subsection 13.

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

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

26 2. Provider payments. Except as provided in subsection 3,
an insurer shall pay a health care provider for health care
28 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.

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

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

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

50 B. Health care services expenses within the scope of the
controverted claim provided to the insured by a health care

2 provider after receipt of the notice described in subsection
3.

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6 SUMMARY

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