

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 782

S.P. 217

In Senate, February 13, 2001

### **An Act to Ensure Health Maintenance Organization Accountability.**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator KILKELLY of Lincoln.  
Cosponsored by Representative HONEY of Boothbay and  
Senators: CARPENTER of York, KNEELAND of Aroostook, LaFOUNTAIN of York,  
MARTIN of Aroostook, Representatives: ESTES of Kittery, HALL of Bristol, RINES of  
Wiscasset, TRAHAN of Waldoboro.

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

2  
4           Sec. 1 24-A MRS-A §4222-C is enacted to read:

6           §4222-C. Undisputed claims

8           1. Definition. For purposes of section 4222-B, subsection  
10 13 and sections 2436 and 2436-A, the following are considered  
12 undisputed claims:

14           A. Any claim that received prior authorization from a  
16 health maintenance organization under section 4304;

18           B. With respect to a noninstitutional provider, any claim  
20 filed with a health maintenance organization that was  
22 submitted on a form generated by the federal Health Care  
24 Financing Administration and that:

26                   (1) Has no defect or impropriety;

28                   (2) Does not lack requisite substantiating  
30 documentation for noncontracted providers and  
32 suppliers; and

34                   (3) Does not present particular circumstances  
36 requiring special treatment that prevent timely payment  
38 from being made on the claim; and

40           C. With respect to an institutional claim, in the absence  
42 of a written definition in a contract that is agreed to by  
44 the parties to that contract, any claim that is a properly  
46 and accurately completed paper or electronic billing  
48 statement and that:

(1) Consists of the requisite data set, as established  
                  by rulemaking by the bureau; and

(2) Contains entries considered as mandatory by a  
                  national uniform billing committee.

2. Enforce timely payment. The superintendent shall  
          collect data sufficient to enforce timely payment of undisputed  
          claims.

3. Penalty. The superintendent shall impose financial  
          penalties in accordance with the following:

A. Up to \$500 per claim for each day a claim is processed  
                  beyond the 30-day limit. A penalty imposed under this

2 paragraph may not exceed a total of \$5,000 for each separate  
violation;

4 B. Up to \$500 per day for any health maintenance  
organization that fails to respond to the superintendent's  
6 inquiries in a timely manner. A penalty imposed under this  
paragraph may not exceed \$7,500 per inquiry;

8  
10 C. Up to \$500 per day for any person that fails to  
cooperate with the superintendent's investigations. A  
12 penalty imposed under this paragraph may not exceed a total  
of \$10,000, except that a person who violates the law 5  
14 times within a 5-year period may be penalized an additional  
\$50,000.

16 4. Rulemaking. The bureau shall adopt rules implementing  
this section. Rules adopted pursuant to this section are routine  
18 technical rules pursuant to Title 5, chapter 375, subchapter II-A.

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## SUMMARY

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24 This bill defines the term "undisputed claims" relative to  
26 health maintenance organizations, requires the Superintendent of  
Insurance to collect data sufficient to enforce timely payment of  
undisputed claims and establishes financial penalties.