

House Research Act Summary

CHAPTER: 146

SESSION: 1999 Regular Session

TOPIC: Prompt Payment for Home Care Providers

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Overview

This bill establishes prompt payment requirements that health maintenance organizations must meet in paying or denying valid claims for payment made by home care providers.

- 1 Prompt payments to home care providers.** Adds § 62D.108. Requires health maintenance organizations to pay or deny valid home care provider claims within 30 days of receiving all necessary information to process the claim. Requires health maintenance organizations to pay interest to home care providers on valid claims not paid within 30 days.
 - Subd. 1. Applicability.** Specifies that this section applies to health maintenance organizations (HMOs).
 - Subd. 2. Definitions.** Defines terms: clean claim, home care provider, and valid home care provider claim.
 - Subd. 3. Claims payments to home care providers.** Requires an HMO to pay or deny a valid home care provider claim for home care services within 30 days of receiving the claim and all information needed to process the claim. Requires an HMO to notify a home care provider if a claim is incorrect, defective, or improper, within 30 days of receiving the claim. Specifies that if an HMO cannot pay a claim within the 30-day period because additional information from parties other than the home care provider is needed to process the claim, the HMO must tell the home care provider what additional information is needed. Allows the HMO to disclose this additional information in general terms if evidence of fraud exists.
 - Subd. 4. Payment of interest on late payments.** If an HMO fails to pay or deny a claim within 30 days as provided in subdivision 3, requires the HMO to pay interest to the home care provider. Requires the home care provider to bill the HMO for the interest. Sets the interest rate at 1.5% per month or any part of a month that the decision is delayed. Awards costs and disbursements, including attorney fees, to a home care provider who wins a civil action to collect

interest from an HMO. Specifies that \$10 is the minimum monthly interest payment for an unpaid balance of \$100 or more for a single overdue claim; for unpaid balances less than \$100, requires the HMO to pay the actual interest payment due. Exempts an HMO from making interest payments if payment on a claim was delayed to review potentially fraudulent or abusive billing practices.

- 2 **Effective date.** Makes section 1 effective July 1, 1999, to apply to claims made under HMO contracts with home care providers entered into or renewed on or after that date.