SENATE . . . . No. 608

By Mr. Moore, a petition (accompanied by bill, Senate, No. 608) of Richard T. Moore, Edward G. Connolly, Joyce A. Spiliotis and Bruce E. Tarr for legislation to provide for the notification of defective claims and claims payment policies. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT PROVIDING FOR THE NOTIFICATION OF DEFECTIVE CLAIMS AND CLAIMS PAYMENT POLICIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section one hundred and eight, subsection 4 (C)
2 of chapter one hundred and seventy-five of the General Laws, as
3 most recently amended by Chapter 141 of the Acts of 2000, is
4 hereby amended in the second sentence by striking out the words
5 "forty five days" and inserting in place thereof the following: "fif-
6 teen days, or forty-eight hours if transmitted electronically".

1 SECTION 2. Said Section one hundred and eight, subsec-
2 tion 4 (C) of chapter one hundred and seventy-five is hereby fur-
3 ther amended by adding at the end thereof the following: "Each
4 insurer shall provide written guidelines to providers of medical
5 services that participate in one of its products established pursuant
6 to this chapter setting forth a statement of its policies and proce-
7 dures that is complete, detailed and specific with regard to what
8 such providers must include in claims for reimbursement in order
9 to qualify as a completed claim for reimbursement payment for
10 which any such provider is entitled. Such guidelines shall identify
11 all of the data and documentation that is to accompany each claim
12 for reimbursement and shall identify all utilization review and
13 other screening policies and procedures employed by the insurer
14 in reviewing such claims submitted by a provider of medical serv-
15 ices."

1 SECTION 3. Section one hundred and ten (G) of chapter one
2 hundred and seventy-five of the General Laws, as most recently
3 amended by Chapter 141 of the Acts of 2000, is hereby amended
4 in the second sentence of the second paragraph by striking the
5 words "forty five days" and inserting in place thereof the
6 following: "fifteen days, or forty-eight hours if transmitted elec-
7 tronically,".

1 SECTION 4. Said Section one hundred and ten (G) of chapter
2 one hundred and seventy-five is hereby further amended by
3 adding at the end thereof the following: "Each insurer shall pro-
4 vide written guidelines to providers of medical services that par-
5 ticipate in one of its product established pursuant to this chapter
6 setting forth a statement of its policies and procedures that is
7 complete, detailed and specific with regard to what such providers
8 must include in claims for reimbursement in order to qualify as a
9 completed claim for reimbursement payment for which any such
10 provider is entitled. Such guidelines shall identify all of the data
11 and documentation that is to accompany each claim for reim-
12 bursement and shall identify all utilization review and other
13 screening policies and procedures employed by the insurer in
14 reviewing such claims submitted by a provider of medical serv-
15 ices."

1 SECTION 5. Section eight of chapter one hundred and
2 seventy-six A, as most recently amended by Chapter 141 of the
3 Acts of 2000, is hereby amended in the first sentence of clause
4 (6) by striking the words "forty five days" and inserting in place
5 thereof the following: "fifteen days, or forty-eight hours if trans-
6 mitted electronically,".

1 SECTION 6. Said Section eight of chapter one hundred and
2 seventy-six A is further amended by inserting at the end of clause
3 (6) the following:
4 "Each insurer shall provide written guidelines to providers of
5 medical services that participate in one of its product established
6 pursuant to this chapter setting forth a statement of its policies
7 and procedures that is complete, detailed and specific with regard
8 to what such providers must include in claims for reimbursement

9 in order to qualify as a completed claim for reimbursement pay-
10 ment for which any such provider is entitled. Such guidelines
11 shall identify all of the data and documentation that is to accom-
12 pany each claim for reimbursement and shall identify all utiliza-
13 tion review and other screening policies and procedures employed
14 by the insurer in reviewing such claims submitted by a provider of
15 medical services."

1 SECTION 7. Section 7 of chapter one hundred and seventy-six
2 B of the General Laws, as most recently amended by Chapter 141
3 of the Acts of 2000, is hereby amended in the second sentence of
4 the second paragraph by striking out the words "forty five days"
5 and inserting in place thereof the following: "fifteen days, or
6 forty-eight hours if transmitted electronically,".

1 SECTION 8. Said Section 7 of chapter one hundred and
2 seventy-six B is further amended by adding at the end of the
3 second paragraph the following: "Each insurer shall provide
4 written guidelines to providers of medical services that participate
5 in one of its product established pursuant to this chapter setting
6 forth a statement of its policies and procedures that is complete,
7 detailed and specific with regard to what such providers must
8 include in claims for reimbursement in order to qualify as a com-
9 pleted claim for reimbursement payment for which any such
10 provider is entitled. Such guidelines shall identify all of the data
11 and documentation that is to accompany each claim for reimburse-
12 ment and shall identify all utilization review and other screening
13 policies and procedures employed by the insurer in reviewing
14 such claims submitted by a provider of medical services."

1 SECTION 9. Section 6 of chapter 176G, as most recently
2 amended by Chapter 141 of the Acts of 2000, is hereby amended
3 in the first sentence of the second paragraph by striking out the
4 words "45 days" and inserting in place thereof the following:
5 "fifteen days, or forty-eight hours if transmitted electronically,".

1 SECTION 10. Said Section 6 of chapter 176G is further
2 amended by adding at the end of the second paragraph the
3 following: "Each insurer shall provide written guidelines to

4 providers of medical services that participate in one of its product
5 established pursuant to this chapter setting forth a statement of its
6 policies and procedures that is complete, detailed and specific
7 with regard to what such providers must include in claims for
8 reimbursement in order to qualify as a completed claim for reim-
9 bursement payment for which any such provider is entitled. Such
10 guidelines shall identify all of the data and documentation that is
11 to accompany each claim for reimbursement and shall identify all
12 utilization review and other screening policies and procedures
13 employed by the insurer in reviewing such claims submitted by a
14 provider of medical services."

1 SECTION 11. Section 2 of chapter 176I, as most recently
2 amended by chapter 141 of the Acts of 2000, is hereby amended
3 in the first sentence of the third paragraph by striking the words
4 "45 days" and inserting in place thereof the following: "fifteen
5 days, or forty-eight hours if transmitted electronically,".

1 SECTION 12. Said Section 2 of chapter 176I is hereby further
2 amended by adding at the end of the third paragraph the
3 following: "Each insurer shall provide written guidelines to
4 providers of medical services that participate in one of its product
5 established pursuant to this chapter setting forth a statement of its
6 policies and procedures that is complete, detailed and specific
7 with regard to what such providers must include in claims for
8 reimbursement in order to qualify as a completed claim for reim-
9 bursement payment for which any such provider is entitled. Such
10 guidelines shall identify all of the data and documentation that is
11 to accompany each claim for reimbursement and shall identify all
12 utilization review and other screening policies and procedures
13 employed by the insurer in reviewing such claims submitted by a
14 provider of medical services."
15 Section 13: M.G.L. Chapter 118E Section 38 as appearing in
16 the 2000 Official Edition is hereby amended by insertion at the
17 end thereof of the following new paragraphs:
18 "Within 45 days after the receipt by the Division of completed
19 forms for reimbursement to a physician who participates in a
20 medical service program established pursuant to this chapter, or
21 within 15 days if such claim is received electronically, the Divi-

22 sion shall (i) make payments for such services provided by the
23 physician that are services covered under such medical assistance
24 program and for which claim is made, or (ii) fully notify the
25 provider in writing or by electronic means of any and all reason or
26 reasons for nonpayment, or (iii) notify the provider within 15 days
27 for written forms or 48 hours for electronic claims in writing or by
28 electronic means of all additional information or documentation
29 that is necessary to establish such physician's entitlement to such
30 reimbursement. If the Division fails to comply with the provisions
31 of this paragraph for any such completed claim, the Division shall
32 pay, in addition to any reimbursement for health care services pro-
33 vided to which the physician is entitled, interest on any unpaid
34 amount of such benefits, which shall accrue beginning 45 days
35 after the Division's receipt of request for reimbursement, or 15
36 days after the receipt of an electronic claim, at the rate of 1.5 per
37 cent per month, not to exceed 18 per cent per year. The provisions
38 of this paragraph relating to interest payments shall not apply to a
39 claim that the Division is investigating because of suspected
40 fraud."

41 "The division shall provide written guidelines to providers of
42 medical services that participate in a medical assistance program
43 established pursuant to this chapter setting forth a statement of its
44 policies and procedures that is complete, detailed and specific
45 with regard to what such providers must include in claims for
46 reimbursement in order to qualify as a completed claim for reim-
47 bursement payment for which any such provider is entitled. Such
48 guidelines shall identify all of the data and documentation that is
49 to accompany each claim for reimbursement and shall identify all
50 utilization review and other screening policies and procedures
51 employed by the division in reviewing such claims submitted by a
52 provider of medical services."

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