

FIRST REGULAR SESSION

# HOUSE BILL NO. 259

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE TILLEY.

1014L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 376.383, RSMo, and to enact in lieu thereof one new section relating to health care claims for reimbursement.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 376.383, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.383, to read as follows:

376.383. 1. For purposes of this section and section 376.384, the following terms shall mean:

(1) "Claimant", any individual, corporation, association, partnership or other legal entity asserting a right to payment arising out of a contract or a contingency or loss covered under a health benefit plan as defined in section 376.1350;

(2) "Deny" or "denial", when the health carrier refuses to reimburse all or part of the claim;

(3) "Health carrier", health carrier as defined in section 376.1350, except that health carrier shall not include a workers' compensation carrier providing benefits to an employee pursuant to chapter 287, RSMo;

(4) "Health care provider", health care provider as defined in section 376.1350;

(5) "Health care services", health care services as defined in section 376.1350;

(6) "Processing days", number of days the health carrier has the claim in its possession. Processing days shall not include days in which the health carrier is waiting for a response to a request for additional information;

(7) "Request for additional information", when the health carrier requests information from the claimant to determine if all or part of the claim will be reimbursed;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (8) "Suspends the claim", giving notice to the claimant specifying the reason the claim  
19 is not yet paid, including but not limited to grounds as listed in the contract between the claimant  
20 and the health carrier; and

21 (9) "Third-party contractor", a third party contracted with the health carrier to receive or  
22 process claims for reimbursement of health care services.

23 2. Within ten working days after receipt of a claim by a health carrier or a third-party  
24 contractor, a health carrier shall:

25 (1) Send an acknowledgment of the date of receipt; or

26 (2) Send notice of the status of the claim that includes a request for additional  
27 information. If a health carrier pays the claim, subdivisions (1) and (2) shall not apply.

28 3. Within fifteen days after receipt of additional information by a health carrier or a  
29 third-party contractor, a health carrier shall pay the claim or any undisputed part of the claim in  
30 accordance with this section or send a notice of receipt and status of the claim:

31 (1) That denies all or part of the claim and specifies each reason for denial; or

32 (2) That makes a final request for additional information.

33 4. Within fifteen days after the day on which the health carrier or a third-party contractor  
34 receives the additional requested information in response to a final request for information, it  
35 shall pay the claim or any undisputed part of the claim or deny or suspend the claim.

36 5. If the health carrier has not paid the claimant on or before the forty-fifth **processing**  
37 day from the date of receipt of the claim, the health carrier shall pay the claimant one percent  
38 interest per month. The interest shall be calculated based upon the unpaid balance of the claim.  
39 The interest paid pursuant to this subsection shall be included in any late reimbursement without  
40 the necessity for the person that filed the original claim to make an additional claim for that  
41 interest. A health carrier may combine interest payments and make payment once the aggregate  
42 amount reaches five dollars.

43 6. If a health carrier fails to pay, deny or suspend the claim within forty processing days,  
44 and has received, on or after the fortieth day, notice from the health care provider that such claim  
45 has not been paid, denied or suspended, the health carrier shall, in addition to monthly interest  
46 due, pay to the claimant per day an amount of fifty percent of the claim but not to exceed twenty  
47 dollars for failure to pay all or part of a claim or interest due thereon or deny or suspend as  
48 required by this section. Such penalty shall not accrue for more than thirty days unless the  
49 claimant provides a second written or electronic notice on or after the thirty days to the health  
50 carrier that the claim remains unpaid and that penalties are claimed to be due pursuant to this  
51 section. Penalties shall cease if the health carrier pays, denies or suspends the claim. Said  
52 penalty shall also cease to accrue on the day after a petition is filed in a court of competent  
53 jurisdiction to recover payment of said claim. Upon a finding by a court of competent

54 jurisdiction that the health carrier failed to pay a claim, interest or penalty without reasonable  
55 cause, the court shall enter judgment for reasonable attorney fees for services necessary for  
56 recovery. Upon a finding that a provider filed suit without reasonable grounds to recover a  
57 claim, the court shall award the health carrier reasonable attorney fees necessary to the defense.

58         7. The department of insurance, financial institutions and professional registration shall  
59 monitor suspensions and determine whether the health carrier acted reasonably.

60         8. If a health carrier or third-party contractor has reasonable grounds to believe that a  
61 fraudulent claim is being made, the health carrier or third-party contractor shall notify the  
62 department of insurance, financial institutions and professional registration of the fraudulent  
63 claim pursuant to sections 375.991 to 375.994, RSMo.

64         9. Denial of a claim shall be communicated to the claimant and shall include the specific  
65 reason why the claim was denied.

66         10. Requests for additional information shall specify what additional information is  
67 necessary to process the claim for payment. Information requested shall be reasonable and  
68 pertain to the health carrier's determination of liability. The health carrier shall acknowledge  
69 receipt of the requested additional information to the claimant within five working days or pay  
70 the claim.

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