

ENROLLED HOUSE
BILL NO. 3171

By: Smith (Hopper) of the House

and

Long of the Senate

An Act relating to public health and safety; requiring the State and Education Employees Group Insurance Plan, health maintenance organizations and certain medical groups to reimburse claims within a certain time period; defining term; requiring written notification under certain conditions; providing for payment of certain portion of a claim; requiring payment or denial of payment within a certain time period; defining when a payment is considered made; establishing interest rate for overdue payments; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2514 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The State and Education Employees Group Insurance Plan, health maintenance organizations and every medical group which contracts with a health maintenance organization shall reimburse all clean claims of an enrollee, an assignee of the enrollee, or a health care provider within sixty (60) days after receipt of such claim by such entity. As used in this section, "clean claim" means a claim that has no defect or impropriety, including a lack of any required substantiating documentation, or particular circumstance requiring special treatment that impedes prompt payment.

B. 1. If a claim or any portion of a claim is determined to have defects, improprieties, including a lack of any required substantiating documentation, or particular circumstance requiring special treatment, the enrollee, assignee of the enrollee, or health care provider shall be notified in writing within forty-five (45) days after receipt of the claim by the State and Education Employees Group Insurance Plan, health maintenance organization or contracting medical group. The written notice shall specify what portion of the claim is causing a delay in processing and explain what additional information or corrections are needed.

2. The portion of the claim that is accurate shall be paid within sixty (60) days after receipt of the claim by the State and Education Employees Group Insurance Plan, health maintenance organization or contracting medical group.

C. Upon receipt of the additional information or corrections which led to the claim being delayed and a determination that the information is accurate, the State and Education Employees Group Insurance Plan, a health maintenance organization or medical group

which contracts with a health maintenance organization shall either pay or deny the claim or portion of the claim within ninety (90) days.

D. Payment shall be considered made on:

1. The date a draft or other valid instrument which is equivalent to the amount of the payment is placed in the United States mail in a properly addressed, postpaid envelope; or

2. If not so posted, the date of delivery.

E. An overdue payment shall bear simple interest at the rate of ten percent (10%) per year.

SECTION 2. This act shall become effective November 1, 1998.

Passed the House of Representatives the 13th day of May, 1998.

Speaker of the House of
Representatives

Passed the Senate the 18th day of May, 1998.

President of the Senate