

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H4/1/99
A Bill

HOUSE BILL 2098

5 By: Representative Green
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8 **For An Act To Be Entitled**

9 "AN ACT TO PROVIDE THAT HEALTH CARRIERS IN THIS STATE
10 SHALL MAKE PROMPT PAYMENT FOR ALL COVERED SERVICES;
11 AND FOR OTHER PURPOSES. "

12 **Subtitle**

13 "AN ACT TO PROVIDE THAT HEALTH CARRIERS
14 IN THIS STATE SHALL MAKE PROMPT PAYMENT
15 FOR ALL COVERED SERVICES; AND FOR OTHER
16 PURPOSES. "

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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Definitions: For purposes of this act:

23 (1) "Clean claim" means a claim for which there is not a good-faith
24 dispute regarding the legitimacy of the claim or the appropriate amount of
25 reimbursement; and

26 (2) "Health carrier" means insurance companies, health maintenance
27 organizations, self-funded or self-insured plans, and any other entity that
28 issues or delivers a policy, contract, or plan which provides, reimburses, or
29 pays for health care services. For purposes of this act, a health carrier
30 includes any entity that pays or administers claims on behalf of a health
31 carrier.

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33 SECTION 2. Prompt payment of claims.

34 All health carriers in this state shall comply with the following
35 provisions when presented by a provider with a claim for payment:

36 (1) All claims shall be paid within thirty (30) calendar days after

1 receipt. A carrier that has violated this section shall pay interest beginning
2 with the thirty-first (31st) day on the amount of the claim which remains
3 unpaid after thirty (30) calendar days following the receipt of the claim. The
4 interest shall be at the rate of twelve percent (12%) per annum or the maximum
5 lawful rate under Arkansas law, whichever is the lesser.

6 (2) Subdivision (1) does not apply to bills that are not clean claims
7 if the carrier:

8 (A) Notifies the provider in writing within fifteen (15) calendar
9 days after receipt of the claim that the legitimacy of the claim or the
10 appropriate amount of reimbursement is in dispute;

11 (B) Supplies in writing to the provider the specific reasons why
12 the legitimacy of the claim, or a portion of the claim, or the appropriate
13 amount of the reimbursement is in dispute, and makes a good-faith effort to
14 resolve the dispute. Any reason detectable at the time the claim is submitted
15 must be included in the original notification to the provider;

16 (C) Pays any undisputed portion of the claim within thirty (30)
17 calendar days after receipt of the claim; and

18 (D) Pays the disputed claim or disputed portion within thirty
19 (30) calendar days after receipt of the requested information.

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21 SECTION 3. Enforcement.

22 If a health carrier fails to pay a claim within the time periods
23 provided in this act, the provider may file a complaint with the Insurance
24 Commissioner, which shall investigate the matter. A health carrier found to
25 have violated the act shall be required to promptly pay the unpaid claim and
26 interest, and a health carrier found to be unreasonably delaying payment
27 beyond ninety (90) calendar days shall be fined five hundred dollars (\$500)
28 per day, not to exceed five thousand dollars (\$5,000) per violation, in
29 addition to the unpaid claim and interest.

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31 SECTION 4. All provisions of this act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 5. If any provision of this act or the application thereof to
36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 act are declared to be severable.

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5 SECTION 6. All laws and parts of laws in conflict with this act are
6 hereby repealed.

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/s/ Green

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