Overview

This bill establishes prompt payment requirements applicable to health plan companies and third-party administrators, for clean claims submitted for services provided by health care providers, other than pharmacists, and by health care facilities.

Section

1. **Prompt payment required.** Adds § 62Q.75. Establishes prompt payment requirements applicable to health plan companies and third-party administrators, for clean claims submitted for services provided by health care providers and facilities.

   **Subd. 1. Definitions.** Defines the following terms:

   - A **clean claim** means a claim that has no defect or impropriety, including any lack of required documentation, or any particular circumstance that prevents timely payment; and
   - A **third-party administrator** means a third-party administrator or other entity subject to section 60A.23, subd. 8 (requiring licensing by the commissioner of commerce of vendors of risk management services and entities administering self-insurance or insurance plans; that subdivision applies to vendors of risk management services and to entities that administer, for compensation, a self-insurance or insurance plan) and to Minnesota Rules, chapter 2767 (rules governing these entities).

   **Subd. 2. Claims payments.** States that this section applies to clean claims submitted to health plan companies and third-party administrators, for services provided by health care providers other than pharmacists and by health care facilities. Requires health plan companies and third-party administrators to pay or deny a clean claim within 30 days of receipt of the claim. Requires the health plan company or third-party administrator to pay interest of 1.5% for claims not paid within that period, except that an interest payment is not required if payment on the claim is delayed to review potentially fraudulent or abusive billing practices. Prohibits the
commissioner from assessing a financial administrative penalty against a health plan company that violates this subdivision.

2 **Effective date.** Makes section 1 effective January 1, 2001 and applicable to claims submitted on or after that date.