

**HOUSE . . . . . No. 905**

---

**The Commonwealth of Massachusetts**

PRESENTED BY:

**John P. Fresolo**

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to the electronic submission of claims.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
John P. Fresolo	16th Worcester
Joyce A. Spiliotis	12th Essex

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 951 OF 2007-2008.]

## The Commonwealth of Massachusetts

\_\_\_\_\_  
In the Year Two Thousand and Nine  
\_\_\_\_\_

### AN ACT RELATIVE TO THE ELECTRONIC SUBMISSION OF CLAIMS.

*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 108 of Chapter 175 of the General Laws, as appearing in the Official Edition, is  
2 hereby amended by striking out subsection 4(c) and inserting in place thereof the following:

3           4(c). Within fifteen days after an insurer's receipt of notice of claim by a claimant or provider under a policy of  
4 accident and sickness insurance which is delivered or issued for delivery in the commonwealth, and which provides  
5 hospital expense, medical expense, surgical expense or dental expense insurance, the insurer shall furnish such  
6 forms as are usually furnished by it for filing proofs of loss. Within forty-five days from said receipt of notice if  
7 payment is not made the insurer shall notify the claimant in writing specifying the reasons for the nonpayment or  
8 whatever further documentation is necessary for payment of said claim within the terms of the policy. If the insurer  
9 fails to comply with the provisions of this paragraph, said insurer shall pay, in addition to any benefits which inure  
10 to such claimant or provider, interest on such benefits, which shall accrue beginning forty-five days after the  
11 insurer's receipt of notice of claim at the rate of one and one-half percent per month, not to exceed eighteen percent  
12 per year. The provisions of this paragraph relating to interest payments shall not apply to a claim which an insurer is  
13 investigating because of suspected fraud. Beginning on January 1, 2006, the provisions of this paragraph shall only  
14 apply to claims for reimbursement submitted electronically.

15           SECTION 2. Section 110 of Chapter 175 of the General Laws, as appearing in the Official Edition, is hereby  
16 amended by striking out subsection (G) and inserting in place thereof the following:

17           (G) For purposes of this section the term ""notice of a claim" shall mean any notification whether in writing or  
18 otherwise, to an insurer or its authorized agent, by any person, firm, association, or corporation asserting right to  
19 payment under a policy of insurance which reasonably apprises the insurer of the existence of a claim.

20           Within fifteen days after an insurer's receipt of notice of claim by a claimant under a general or blanket policy of  
21 accident and sickness insurance which is delivered or issued for delivery in the commonwealth, and which provides  
22 hospital expense, medical expense, surgical expense or dental expense insurance, the insurer shall furnish such  
23 forms as are usually furnished by it for filing proofs of loss. Within forty-five days from said receipt of notice if  
24 payment is not made the insurer shall notify the claimant in writing specifying the reasons for the nonpayment or  
25 whatever further documentation is necessary for payment of said claim within the terms of the policy. If the insurer  
26 fails to comply with the provisions of this paragraph, said insurer shall pay, in addition to any benefits which inure

27 to such claimant or provider, interest on such benefits, which shall accrue beginning forty-five days after the  
28 insurer's receipt of notice of claim at the rate of one and one-half percent per month, not to exceed eighteen percent  
29 per year. The provisions of this paragraph relating to interest payments shall not apply to a claim which an insurer is  
30 investigating because of suspected fraud. Beginning on January 1, 2008, the provisions of this paragraph shall only  
31 apply to claims for reimbursement submitted electronically.

32 SECTION 3. Chapter 176G of the General Laws, as appearing in the Official Edition, is hereby amended by striking  
33 out section 6 and inserting in place thereof the following:

34 Section 6. A health maintenance organization may enter into contractual arrangements with any other person or  
35 company for the provision, to the health maintenance organization, of health services, insurance, reinsurance and  
36 administrative, marketing, underwriting or other services on a nondiscriminatory basis. A health maintenance  
37 organization shall not refuse to contract with or compensate for covered services an otherwise eligible provider  
38 solely because such provider has in good faith communicated with one or more of his current, former or prospective  
39 patients regarding the provisions, terms or requirements of the organization's products as they relate to the needs of  
40 such provider's patients.

41 No contract between a participating provider of health care services and a health maintenance organization shall be  
42 issued or delivered in the commonwealth unless it contains a provision requiring that within 45 days after the receipt  
43 by the organization of completed forms for reimbursement to the provider of health care services, the health  
44 maintenance organization shall (i) make payments for such services provided, (ii) notify the provider in writing of  
45 the reason or reasons for nonpayment, or (iii) notify the provider in writing of what additional information or  
46 documentation is necessary to complete said forms for such reimbursement. If the health maintenance organization  
47 fails to comply with this paragraph for any claims related to the provision of health care services, said health  
48 maintenance organization shall pay, in addition to any reimbursement for health care services provided, interest on  
49 such benefits, which shall accrue beginning 45 days after the health maintenance organization's receipt of request for  
50 reimbursement at the rate of 1.5 per cent per month, not to exceed 18 per cent per year. The provisions of this  
51 paragraph relating to interest payments shall not apply to a claim that the health maintenance organization is  
52 investigating because of suspected fraud. Beginning on January 1, 2008, the provisions of this paragraph shall only  
53 apply to claims for reimbursement submitted electronically.

54 SECTION 4. Chapter 176I of the General Laws, as appearing in the Official Edition, is hereby amended by striking  
55 section 2 and inserting in place thereof the following:

56 Section 2. An organization may enter into a preferred provider arrangement with one or more health care providers  
57 upon a determination by the commissioner that the organization and the arrangement comply with the requirements  
58 of this chapter and the regulations hereunder. An organization shall not condition its willingness to allow any health  
59 care provider to participate in a preferred provider arrangement on such health care provider's agreeing to enter into  
60 other contracts or arrangements with the organization that are not part of or related to such preferred provider  
61 arrangements. An organization shall not refuse to contract with or compensate for covered services an otherwise  
62 eligible participating or nonparticipating provider solely because such provider has in good faith communicated with  
63 one or more of his current, former or prospective patients regarding the provisions, terms or requirements of the  
64 organization's products as they relate to the needs of such provider's patients.

65 An organization shall submit information concerning any proposed preferred provider arrangements to the  
66 commissioner for approval in accordance with regulations promulgated by the commissioner. Said regulations shall  
67 comply with the applicable provisions of chapter thirty A of the General Laws. Said information shall include at  
68 least the following: (a) a description of the health services and any other benefits to which the covered person is  
69 entitled; (b) a description of the locations where and the manner in which health services and other benefits may be  
70 obtained; (c) a copy of the evidence of coverage; (d) copies of any contracts with preferred providers; (e) a  
71 description of the rating methodology and rates. The arrangement shall meet the following standards:

72 (a) Standards for maintaining quality health care, including satisfying any quality assurance regulations promulgated  
73 by any state agency;

74 (b) Standards for controlling health care costs;

- 75 (c) Standards for assuring reasonable levels of access of health care services and an adequate number and  
76 geographical distribution of preferred providers to render those services;
- 77 (d) Standards for assuring appropriate utilization of health care service; and
- 78 (e) Other standards deemed appropriate by the commissioner.

79 No organization may enter into a preferred provider arrangement with one or more health care providers unless said  
80 written arrangement contains a provision requiring that within 45 days after the receipt by the organization of  
81 completed forms for reimbursement to the health care provider, the organization shall (i) make payments for the  
82 provision of such services, (ii) notify the provider in writing of the reason or reasons for nonpayment, or (iii) notify  
83 the provider in writing of what additional information or documentation is necessary to complete said forms for such  
84 reimbursement. If the organization fails to comply with the provisions of this paragraph for any claims related to the  
85 provision of health care services, said organization shall pay, in addition to any reimbursement for health care  
86 services provided, interest on such benefits, which shall accrue beginning 45 days after the organization's receipt of  
87 request for reimbursement at the rate of 1.5 per cent per month, not to exceed 18 per cent per year. The provisions of  
88 this paragraph relating to interest payments shall not apply to a claim that the organization is investigating because  
89 of suspected fraud. Beginning on January 1, 2008, the provisions of this paragraph shall only apply to claims for  
90 reimbursement submitted electronically.