

House Bill 2824

Sponsored by COMMITTEE ON BUSINESS AND LABOR

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires health insurer to pay claims pursuant to contract between insurer and provider within certain period of time. Allows provider to bring action to enforce rights. Imposes civil penalty on insurer for nonpayment of unpaid claim.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to payment of insurance claims; creating new provisions; amending ORS 743.911; and de-
3 claring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 743.911 is amended to read:

6 743.911. (1) Except as provided in this subsection, when a claim [*under a health benefit plan*] is
7 submitted to [*an*] **a health** insurer by a provider [*on behalf of an enrollee*] **pursuant to a contract**
8 **between the provider and the insurer**, the insurer shall pay a clean claim or deny the claim not
9 later than 30 days after the date on which the insurer receives the claim. If [*an*] **a health** insurer
10 requires additional information before payment of a claim, not later than 30 days after the date on
11 which the insurer receives the claim, the insurer shall notify [*the enrollee and*] the provider in
12 writing and give [*the enrollee and*] the provider an explanation of the additional information needed
13 to process the claim. The **health** insurer shall pay a clean claim or deny the claim not later than
14 30 days after the date on which the insurer receives the additional information.

15 (2) A contract between [*an*] **a health** insurer and a provider may not include a provision gov-
16 erning payment of claims that limits the rights and remedies available to a provider under this
17 section and ORS 743.913 or has the effect of relieving either party of their obligations under this
18 section and ORS 743.913.

19 (3) [*An*] **A health** insurer shall establish a method of communicating to providers the procedures
20 and information necessary to complete claim forms. The procedures and information must be rea-
21 sonably accessible to providers.

22 [(4) *This section does not create an assignment of payment to a provider.*]

23 [(5)] (4) Each **health** insurer shall report to the Director of the Department of Consumer and
24 Business Services annually on its compliance under this section according to requirements estab-
25 lished by the director.

26 [(6)] (5) The director shall adopt by rule a definition of "clean claim" and shall consider the
27 definition of "clean claim" used by the federal Department of Health and Human Services for the
28 payment of Medicare claims.

29 **SECTION 2. Sections 3 and 4 of this 2009 Act are added to and made a part of the In-**
30 **surance Code.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

