House Engrossed Senate Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 217

SENATE BILL 1292

AN ACT

AMENDING TITLE 23, CHAPTER 6, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-1062.01; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 23, chapter 6, article 9, Arizona Revised Statutes, is amended by adding section 23-1062.01, to read:

23-1062.01 Timely payment of medical, surgical and hospital benefit billing; content of bills; contracts between providers and carriers; exceptions; definitions

A. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE SHALL MAKE A DETERMINATION WHETHER TO DENY OR PAY A MEDICAL BILL ON AN ACCEPTED CLAIM, IN WHOLE OR IN PART, INCLUDING THE DECISION AS TO THE AMOUNT TO PAY, WITHIN THIRTY DAYS FROM THE DATE THE CLAIM IS ACCEPTED, IF THE BILLING IS RECEIVED BEFORE THE DATE OF ACCEPTANCE, OR WITHIN THIRTY DAYS FROM THE DATE OF RECEIPT OF THE BILLING IF THE BILLING IS RECEIVED AFTER THE DATE OF ACCEPTANCE. ALL BILLING DENIALS SHALL BE BASED ON REASONABLE JUSTIFICATION. THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE SHALL PAY THE APPROVED PORTION OF THE BILLING WITHIN THIRTY DAYS AFTER THE DETERMINATION FOR PAYMENT IS MADE. IF THE BILLING IS NOT PAID WITHIN THE APPLICABLE TIME PERIOD, THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE SHALL PAY INTEREST TO THE HEALTH PROVIDER ON THE BILLING AT A RATE THAT IS EQUAL TO THE LEGAL RATE. INTEREST SHALL BE CALCULATED BEGINNING ON THE DATE THAT THE PAYMENT TO THE HEALTH CARE PROVIDER IS DUE.

B. ANY BILLING BY A HEALTH CARE PROVIDER SHALL INCLUDE ALL OF THE FOLLOWING:

1. THE CORRECT DEMOGRAPHIC PATIENT INFORMATION AND CLAIM NUMBER, IF KNOWN.

2. THE CORRECT HEALTH CARE PROVIDER INFORMATION, INCLUDING NAME, ADDRESS, TELEPHONE NUMBER AND FEDERAL TAXPAYER IDENTIFICATION NUMBER.

3. THE APPROPRIATE MEDICAL CODING WITH DOLLAR AMOUNTS AND UNITS CLEARLY STATED WITH ALL DESCRIPTIONS.

4. CLEARLY PRINTED DATE OR DATES OF SERVICE.

5. LEGIBLE MEDICAL REPORTS REQUIRED FOR EACH DATE OF SERVICE IF THE BILLING IS FOR DIRECT TREATMENT OF THE INJURED WORKER.

C. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE IS NOT RESPONSIBLE FOR PAYMENT OF ANY BILLINGS FOR MEDICAL, SURGICAL OR HOSPITAL BENEFITS PROVIDED UNDER THIS CHAPTER UNLESS THE BILLINGS ARE RECEIVED BY THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE WITHIN TWENTY-FOUR MONTHS FROM THE DATE ON WHICH THE MEDICAL SERVICE WAS RENDERED OR FROM THE DATE ON WHICH THE HEALTH CARE PROVIDER KNEW OR SHOULD HAVE KNOWN THAT SERVICE WAS RENDERED ON AN INDUSTRIAL CLAIM, WHICHEVER OCCURS LATER.

D. AN INJURED WORKER IS NOT RESPONSIBLE FOR PAYMENT OF ANY PORTION OF A MEDICAL BILL FOR SERVICES RENDERED ON AN ACCEPTED CLAIM AND IS NOT RESPONSIBLE FOR PAYMENT OF ANY DISPUTED AMOUNT BETWEEN A HEALTH CARE PROVIDER

AND THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE.

E. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE THAT IS SUBJECT TO THIS CHAPTER MAY ESTABLISH AN INTERNAL SYSTEM FOR RESOLVING PAYMENT DISPUTES AND OTHER CONTRACTUAL GRIEVANCES WITH HEALTH CARE PROVIDERS.

F. THIS SECTION DOES NOT APPLY TO HEALTH CARE PROVIDERS THAT ENTER INTO AN EXPRESS WRITTEN CONTRACT WITH THE INSURANCE CARRIER, THE SELF-INSURED EMPLOYER OR A CLAIMS PROCESSING REPRESENTATIVE THAT SPECIFIES THE PERIOD IN WHICH APPROVED BILLS SHALL BE PAID AND THAT INCLUDES CONTRACTUAL REMEDIES FOR UNTIMELY BILL PAYMENT. IF THE CONTRACT DOES NOT INCLUDE REMEDIES FOR UNTIMELY PAYMENT, PAYMENT MUST BE MADE ACCORDING TO THE PROVISIONS OF THE CONTRACT BUT THE INTEREST PENALTY PRESCRIBED BY SUBSECTION A SHALL APPLY TO ANY LATE PAYMENT. THE COMMISSION DOES NOT HAVE JURISDICTION OVER DISPUTES INVOLVING TIMELY PAYMENT OF BILLINGS UNDER CONTRACTS BETWEEN THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE AND THE HEALTH CARE PROVIDER.

G. FOR THE PURPOSES OF THIS SECTION:

1. "ACCEPTED CLAIM" MEANS A CLAIM FOR BENEFITS UNDER THIS CHAPTER THAT HAS BEEN ACCEPTED BY A FINAL NOTICE OF CLAIM STATUS OR FINAL ORDER OR AWARD OF THE COMMISSION.

2. "DATE OF RECEIPT" MEANS THE ELECTRONIC ACKNOWLEDGEMENT DATE OR, IF A BILL DOES NOT CONTAIN AN ELECTRONIC ACKNOWLEDGMENT DATE, THE DATE OF RECEIPT IS PRESUMED TO OCCUR FIVE DAYS AFTER THE BILL WAS MAILED TO THE RECIPIENT'S ADDRESS.

APPROVED BY THE GOVERNOR MAY 16, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2007.

Passed the House May 7, 20 07,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Speaker of the House

Norman L. Moore

Chief Clerk of the House

Passed the Senate February 21, 20 07,

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

Timothy S. Bee

President of the Senate

Chamnion Billington

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1292

SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 10, 20 07

by the following vote: 25 Ayes,

1 Nays, 4 Not Voting

Timothy S Bee
President of the Senate

Chairman Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

10th day of May, 20 07

at 12:02 o'clock p. M.

Jennifer Ybarra
Secretary to the Governor

Approved this 16 day of

May 2007

at 10 45 o'clock A. M.

[signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 16TH day of May, 20 07

S.B. 1292

at 4:59 o'clock P. M.

Janice K. Brewer
Secretary of State