

## **IC 27-13-36.2**

### **Chapter 36.2. Provider Payment**

#### **IC 27-13-36.2-1**

##### **"Clean claim" defined**

Sec. 1. As used in this chapter, "clean claim" means a claim submitted by a provider for payment for health care services provided to an enrollee that has no defect, impropriety, or particular circumstance requiring special treatment preventing payment.

*As added by P.L.162-2001, SEC.6.*

#### **IC 27-13-36.2-2**

##### **"Health maintenance organization" defined**

Sec. 2. As used in this chapter, "health maintenance organization" includes:

- (1) an insurance administrator that:
  - (A) collects charges or premiums; and
  - (B) adjusts or settles claims;in connection with coverage under a contract with a health maintenance organization; and
- (2) a limited service health maintenance organization.

*As added by P.L.162-2001, SEC.6.*

#### **IC 27-13-36.2-3**

##### **Notice of deficiencies in claims**

Sec. 3. (a) A health maintenance organization shall pay or deny each clean claim in accordance with section 4 of this chapter.

(b) A health maintenance organization shall notify a provider of any deficiencies in a submitted claim not more than:

- (1) thirty (30) days for a claim that is filed electronically; or
- (2) forty-five (45) days for a claim that is filed on paper;

and describe any remedy necessary to establish a clean claim.

(c) Failure of a health maintenance organization to notify a provider as required under subsection (b) establishes the submitted claim as a clean claim.

*As added by P.L.162-2001, SEC.6. Amended by P.L.137-2002, SEC.3.*

#### **IC 27-13-36.2-4**

##### **Payment or denial of claims; interest**

Sec. 4. (a) A health maintenance organization shall pay or deny each clean claim as follows:

- (1) If the claim is filed electronically, not more than thirty (30) days after the date the claim is received by the health maintenance organization.
- (2) If the claim is filed on paper, not more than forty-five (45) days after the date the claim is received by the health maintenance organization.

(b) If:

- (1) a health maintenance organization fails to pay or deny a

- clean claim in the time required under subsection (a); and
- (2) the health maintenance organization subsequently pays the claim;

the health maintenance organization shall pay the provider that submitted the claim interest on the lesser of the usual, customary, and reasonable charge for the health care services provided to the enrollee or an amount agreed to between the health maintenance organization and the provider paid under this section.

(c) Interest paid under subsection (b):

(1) accrues beginning:

(A) thirty-one (31) days after the date the claim is filed under subsection (a)(1); or

(B) forty-six (46) days after the date the claim is filed under subsection (a)(2); and

(2) stops accruing on the date the claim is paid.

(d) In paying interest under subsection (b), a health maintenance organization shall use the same interest rate as provided in IC 12-15-21-3(7)(A).

*As added by P.L.162-2001, SEC.6. Amended by P.L.137-2002, SEC.4.*

#### **IC 27-13-36.2-5**

##### **Permitted forms**

Sec. 5. A provider shall submit only the following forms for payment by a health maintenance organization:

(1) HCFA-1500.

(2) HCFA-1450 (UB-92).

(3) American Dental Association (ADA) claim form.

*As added by P.L.162-2001, SEC.6.*

#### **IC 27-13-36.2-6**

##### **Civil penalties**

Sec. 6. (a) If the commissioner finds that a health maintenance organization has failed during any calendar year to process and pay clean claims in compliance with this chapter, the commissioner may assess an aggregate civil penalty against the health maintenance organization according to the following schedule:

(1) If the health maintenance organization has paid at least eighty-five percent (85%) but less than ninety-five percent (95%) of all clean claims received from all providers during the calendar year in compliance with this chapter, a civil penalty of up to ten thousand dollars (\$10,000).

(2) If the health maintenance organization has paid at least sixty percent (60%) but less than eighty-five percent (85%) of all clean claims received from all providers during the calendar year in compliance with this chapter, a civil penalty of at least ten thousand dollars (\$10,000) but not more than one hundred thousand dollars (\$100,000).

(3) If the health maintenance organization has paid less than sixty percent (60%) of all clean claims received from all

providers during the calendar year in compliance with this chapter, a civil penalty of at least one hundred thousand dollars (\$100,000) but not more than two hundred thousand dollars (\$200,000).

(b) In determining the amount of a civil penalty under this section, the commissioner shall consider whether the health maintenance organization's failure to achieve the standards established by this chapter is due to circumstances beyond the health maintenance organization's control.

(c) A health maintenance organization may contest a civil penalty imposed under this section by requesting an administrative hearing under IC 4-21.5 not more than thirty (30) days after the health maintenance organization receives notice of the assessment of the fine.

(d) If the commissioner imposes a civil penalty under this section, the commissioner may not impose a penalty against the health maintenance organization under IC 27-4-1 for the same activity.

(e) Civil penalties collected under this section shall be deposited in the state general fund.

*As added by P.L.162-2001, SEC.6.*

#### **IC 27-13-36.2-7**

##### **Repealed**

*(Repealed by P.L.1-2007, SEC.248.)*

#### **IC 27-13-36.2-8**

##### **Claim payment errors**

Sec. 8. (a) A health maintenance organization may not, more than two (2) years after the date on which an overpayment on a provider claim was made to the provider by the health maintenance organization:

- (1) request that the provider repay the overpayment; or
- (2) adjust a subsequent claim filed by the provider as a method of obtaining reimbursement of the overpayment from the provider.

(b) A health maintenance organization may not be required to correct a payment error to a provider more than two (2) years after the date on which a payment on a provider claim was made to the provider by the health maintenance organization.

(c) This section does not apply in cases of fraud by the provider, the enrollee, or the health maintenance organization with respect to the claim on which the overpayment or underpayment was made.

*As added by P.L.55-2006, SEC.3.*

#### **IC 27-13-36.2-9**

##### **Claim overpayment adjustment**

Sec. 9. Every subsequent claim that is adjusted by a health maintenance organization for reimbursement on an overpayment of a previous provider claim made to the provider must be accompanied by an explanation of the reason for the adjustment, including:

- (1) an identification of:
  - (A) the claim on which the overpayment was made; and
  - (B) if ascertainable, the party financially responsible for the amount overpaid; and
- (2) the amount of the overpayment that is being reimbursed to the health maintenance organization through the adjusted subsequent claim.

*As added by P.L.55-2006, SEC.4.*