

ceed \$1,000 in any one year. The chairman shall be paid a per diem compensation of \$45 \$50 for meetings, not to exceed \$1,500 in any one year. In addition, the chairman and other board members shall be compensated at the rate of \$35 \$50 per day for other services as are specifically authorized by the board, without regard to the above annual limitations. All members of the board shall be reimbursed for all reasonable expenses incurred in the performance of their duties as determined by the board.

Presented to the governor May 7, 1999

Signed by the governor May 11, 1999, 1:49 p.m.

CHAPTER 146—S.F.No. 1268

An act relating to health; requiring prompt payments by health maintenance organizations of certain claims made by home care providers; requiring health maintenance organizations to pay interest on late payments; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 62D.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [62D.108] PROMPT PAYMENTS TO HOME CARE PROVIDERS.

Subdivision 1. APPLICABILITY. This section applies to health maintenance organizations regulated under this chapter.

Subd. 2. DEFINITIONS. For purposes of this section, the following terms have the meanings given them:

(1) "clean claim" means an original paper or electronic claim with correct data elements, prepared in accordance with the health maintenance organization's published specifications for claims preparation, that does not require an attachment or text information to pay or deny the claim;

(2) "home care provider" has the meaning given in section 144A.43, subdivision 4; and

(3) "valid home care provider claim" means a clean claim submitted directly to the health maintenance organization by an eligible home care provider for home care services provided to an eligible enrollee.

Subd. 3. CLAIMS PAYMENTS TO HOME CARE PROVIDERS. A health maintenance organization must pay or deny a valid home care provider claim for home care services within 30 days of receiving the claim and all other information from third parties required to process the claim in accordance with the health maintenance organization's specifications for claims processing. A health maintenance organization must notify a home care provider of an incorrect, defective, or improper claim within 30 days of receipt of the original claim. If the health maintenance organization is unable to pay or deny the claim within 30 days because additional information, other than information from the home care provider, is required to complete the processing of the claim, the health maintenance organization shall disclose to the home care provider the nature of the

New language is indicated by underline, deletions by ~~strikeout~~.

additional information needed to process the claim. The disclosure shall be made consistent with state and federal law. Where evidence of suspected fraud is present, the requirement to disclose additional information need not be specific.

Subd. 4. PAYMENT OF INTEREST ON LATE PAYMENTS. (a) If a health maintenance organization fails to pay or deny a valid home care provider claim within 30 days as specified in subdivision 3, the health maintenance organization must pay interest to the home care provider on the claim with interest accruing from the 30th day. If a negotiated contract or agreement between a home care provider and a health maintenance organization requires an audit by the health maintenance organization before acceptance and payment of the claim, interest payments do not apply until 30 days after the timely completion of the audit by the health maintenance organization. Before any interest payment is made, the home care provider must bill the health maintenance organization for the interest.

(b) The rate of interest paid by a health maintenance organization under this subdivision shall be 1.5 percent per month or any part of the month.

(c) A home care provider who prevails in a civil action to collect interest payments from a health maintenance organization shall be awarded the costs and disbursements, including attorney fees, incurred in bringing the action.

(d) The minimum monthly interest payment that a health maintenance organization must pay to a home care provider for the unpaid balance for any single overdue claim equal to or exceeding \$100 is \$10. For unpaid balances of less than \$100, the health maintenance organization must pay the actual interest payment due to the home care provider.

(e) A health maintenance organization is not required to make an interest payment on a claim for which payment has been delayed for purposes of reviewing potentially fraudulent or abusive billing practices.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective July 1, 1999, and applies to claims made under health maintenance organization contracts with home care providers entered into or renewed on or after that date.

Presented to the governor May 7, 1999

Signed by the governor May 11, 1999, 1:50 p.m.

CHAPTER 147—H.F.No. 174

An act relating to the Paynesville area hospital district; authorizing the district to annex the city of Richmond to the district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. PAYNESVILLE AREA HOSPITAL DISTRICT.

Notwithstanding the contiguity requirement of Minnesota Statutes, section 447.36, the Paynesville area hospital district, organized in 1992 by resolution of the Paynesville

New language is indicated by underline, deletions by ~~strikeout~~.