

## CHAPTER 349—S.F.No. 2767

*An act relating to health; requiring prompt payment by health plan companies and third-party administrators of clean claims for health care services; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 1999 Supplement, section 65D.108.*

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

Section 1. **[62Q.75] PROMPT PAYMENT REQUIRED.**

Subdivision 1. DEFINITIONS. (a) For purposes of this section, the following terms have the meanings given to them.

(b) "Clean claim" means a claim that has no defect or impropriety, including any lack of any required substantiating documentation, or particular circumstance requiring special treatment that prevents timely payment from being made on a claim under this section.

(c) "Third-party administrator" means a third-party administrator or other entity subject to section 60A.23, subdivision 8, and Minnesota Rules, chapter 2767.

Subd. 2. CLAIMS PAYMENTS. (a) This section applies to clean claims submitted to a health plan company or third-party administrator for services provided by any:

- (1) health care provider, except a provider licensed under chapter 151;
- (2) home health care provider, as defined in section 144A.43, subdivision 4; or
- (3) health care facility.

All health plan companies and third-party administrators must pay or deny claims that are clean claims within 30 calendar days after the date upon which the health plan company or third-party administrator received the claim.

(b) If a health plan company or third-party administrator does not pay or deny a clean claim within the period provided in paragraph (a), the health plan company or third-party administrator must pay interest on the claim for the period beginning on the day after the required payment date specified in paragraph (a) and ending on the date on which the health plan company or third-party administrator makes the payment or denies the claim. In any payment, the health plan company or third-party administrator must itemize any interest payment being made separately from other payments being made for services provided. The health plan company or third-party administrator may, at its discretion, require the health care provider to bill the health plan company or third-party administrator for the interest required under this section before any interest payment is made.

(c) The rate of interest paid by a health plan company or third-party administrator under this subdivision shall be 1.5 percent per month or any part of a month.

(d) A health plan company or third-party administrator is not required to make an interest payment on a claim for which payment has been delayed for purposes of

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reviewing potentially fraudulent or abusive billing practices.

(e) The commissioner may not assess a financial administrative penalty against a health plan company for violation of this subdivision.

**Sec. 2. REPEALER.**

Minnesota Statutes 1999 Supplement, section 62D.108, is repealed.

**Sec. 3. EFFECTIVE DATE.**

Section 1 is effective January 1, 2001, and applies to claims submitted on or after that date. Section 2 is effective January 1, 2001.

Presented to the governor April 6, 2000

Signed by the governor April 10, 2000, 2:49 p.m.

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**CHAPTER 350—S.F.No. 3203**

*An act relating to commerce; conforming state statutes to the National Association of Insurance Commissioners model legislation providing uniform accounting principles; regulating the registration of certain securities; amending Minnesota Statutes 1998, sections 60A.11, subdivision 22; 60A.12, subdivision 5; 60A.121, subdivision 9, and by adding subdivisions; 60A.123; 60A.129, subdivision 3; 66A.16, subdivisions 1 and 2; 68A.01, subdivision 4, and by adding a subdivision; and 68A.02; Minnesota Statutes 1999 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A; and 68A; repealing Minnesota Statutes 1998, sections 60A.12, subdivisions 1, 3, 4, 7, 8, and 9; 60A.125, subdivision 3; and 60A.128.*

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

Section 1. Minnesota Statutes 1998, section 60A.11, subdivision 22, is amended to read:

Subd. 22. **PERSONAL PROPERTY UNDER LEASE.** Personal property for intended lease or rental in the United States or Canada. A company may not invest more than five percent of its total admitted assets under this subdivision. In cases where the asset leased would otherwise be nonadmitted, the asset or associated lease is nonadmitted.

Sec. 2. Minnesota Statutes 1998, section 60A.12, subdivision 5, is amended to read:

Subd. 5. **LOSS RESERVES.** ~~(1) FOR OTHER THAN LIABILITY AND WORKERS' COMPENSATION.~~ The reserve for outstanding losses under policies other than workers' compensation and liability policies shall be at least equal to the aggregate estimated amounts due or to become due on account of all the losses and claims of which the corporation has received notice. The loss reserve shall also include the estimated liability on any notices received by the corporation of the occurrence of

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