

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Health – General

19-712.1.

(a) For covered services rendered to its members, a health maintenance organization shall reimburse any provider within 30 days after receipt of a claim that is accompanied by all reasonable and necessary documentation.

(b) (1) If a health maintenance organization fails to comply with subsection (a) of this section, the health maintenance organization shall pay interest beginning with the 31st day on the amount of the claim that remains unpaid after 30 days following the receipt of the claim.

(2) The interest payable shall be at the rate of 1.5 percent per month simple interest prorated for any portion of a month.

(3) Except as provided in subsection (c) of this section, when paying a claim more than 30 days after its receipt, the health maintenance organization shall add the interest payable to the amount of the unpaid claim without the necessity for any claim for that interest to be made by the provider filing the original claim.

(c) The provisions of this section do not apply to claims where:

(1) There is a good faith dispute regarding:

(i) The legitimacy of the claim; or

(ii) The appropriate amount of reimbursement; and

(2) The health maintenance organization:

(i) Notifies the provider within 2 weeks of the receipt of the claim that the legitimacy of the claim or the appropriate amount of reimbursement is in dispute;

(ii) Supplies in writing to the provider the specific reasons why the legitimacy of the claim, or a portion of the claim, or the appropriate amount of reimbursement is in dispute;

(iii) Pays any undisputed portion of the claim within 30 days of the receipt of the claim; and

(iv) Makes a good faith, timely effort to resolve the dispute.

~~(D) IF A HEALTH MAINTENANCE ORGANIZATION SENDS NOTICE TO A PROVIDER UNDER SUBSECTION (C)(2)(I) OR (II) OF THIS SECTION, OR NOTIFIES A PROVIDER THAT IT DID NOT RECEIVE A CLAIM, ANY TIME LIMIT IMPOSED BY THE HEALTH MAINTENANCE ORGANIZATION FOR SUBMITTING CLAIM INFORMATION SHALL BEGIN ON THE DATE THE NOTICE IS GIVEN.~~