

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2004. This Act shall remain effective for a period of 1 year and 1 month and, at the end of July 31, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved April 27, 2004.

CHAPTER 155

(House Bill 123)

AN ACT concerning

Health Insurance - Prompt Payment of Claims

FOR the purpose of requiring an insurer, nonprofit health service plan, and health maintenance organization to mail or otherwise transmit payment for a claim, or undisputed portion of a claim, for reimbursement from certain persons within a certain number of days after receipt of the claim or certain information relating to the claim; and generally relating to payment of claims for reimbursement by insurers, nonprofit health service plans, and health maintenance organizations.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 15-1005

Annotated Code of Maryland

(2002 Replacement Volume and 2003 Supplement)

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

Article - Insurance

15-1005.

(a) In this section, "clean claim" means a claim for reimbursement, as defined in regulations adopted by the Commissioner under § 15-1003 of this subtitle.

(b) To the extent consistent with the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 1001, et seq., this section applies to an insurer, nonprofit health service plan, or health maintenance organization that acts as a third party administrator.

(c) Within 30 days after receipt of a claim for reimbursement from a person entitled to reimbursement under § 15-701(a) of this title or from a hospital or related institution, as those terms are defined in § 19-301 of the Health - General Article, an insurer, nonprofit health service plan, or health maintenance organization shall:

(1) [pay] MAIL OR OTHERWISE TRANSMIT PAYMENT FOR the claim in accordance with this section; or