

COMMITTEE ON HEALTH

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1376

(Reference to Senate engrossed bill)

1 Page 2, between lines 24 and 25, insert:

2 "4. AN ANALYSIS OF OTHER HOSPITAL REIMBURSEMENT METHODOLOGIES THAT:

3 (a) SIMPLIFY PAYMENTS TO HOSPITAL PROVIDERS AND INCREASE CONTRACTOR  
4 EFFICIENCY IN CLAIMS PAYMENT.

5 (b) MINIMIZE MANUAL ADJUDICATION OF CLAIMS AND FACILITATE ELECTRONIC  
6 CLAIMS PAYMENT."

7 Renumber to conform

8 Between lines 29 and 30, insert:

9 "6. THE EFFECT ON MEDICAL TRENDS IN BOTH THE ACUTE CARE AND LONG-TERM  
10 CARE PROGRAMS FROM CURRENT PAYMENT POLICIES AND ANY PAYMENT POLICIES  
11 ESTABLISHED PURSUANT TO THIS ARTICLE."

12 Page 3, strike lines 1 and 2, insert:

13 "H. THE DIRECTOR SHALL SERVE AS CHAIRPERSON OF THE COUNCIL."

14 Page 4, line 16, after "clean" strike remainder of line insert "FACILITY claims  
15 AND"

16 Line 17, after "OF" strike remainder of line insert "CLEAN PROFESSIONAL CLAIMS  
17 shall"

18 Line 19, after "clean" strike remainder of line insert "FACILITY claims AND  
19 NINETY-NINE PER CENT OF"

20 Line 20, strike "CLAIMS FROM PHYSICIANS AND OTHER PROVIDERS" insert  
21 "PROFESSIONAL CLAIMS"

22 Line 22, after the period insert "THE ADMINISTRATION SHALL DEVELOP RULES TO  
23 FACILITATE AND INCENTIVIZE HOSPITAL SUBMISSION OF CLEAN AND TIMELY CLAIMS TO  
24 CONTRACTORS, INCLUDING REQUIREMENTS FOR NOTIFICATION AND AUTHORIZATION FOR  
25 SERVICES AND CLAIMS SUBMISSION AND RESUBMISSION TIME FRAMES."

26 Line 23, after "meaning" strike remainder of line; strike line 24, insert "as  
27 prescribed in section 36-2904, subsection G."

28 Page 19, line 25, after "A" insert "HOSPITAL"

1 Page 19, line 27, after the third "A" insert "HOSPITAL"

2 Line 32, after the period strike remainder of line; strike lines 33 through 37

3 Page 22, line 26, strike "~~submitted~~ RECEIVED" insert "submitted"

4 Line 28, after "posted" strike remainder of line; strike line 29, insert ",  
5 whichever date is later, or that are submitted as clean"

6 Line 31, after "posted" strike remainder of line; strike line 32, insert ",  
7 whichever date is later,"

8 Line 35, strike "~~submitted~~ RECEIVED" insert "submitted"

9 Line 37, strike "~~may~~ SHALL adopt rules ~~or~~ AND" insert "may adopt rules or"

10 Line 39, strike "PURSUANT TO SECTION 36-2904.01"

11 Page 23, line 1, strike "~~submitted~~ RECEIVED" insert "submitted BY PROVIDERS OTHER  
12 THAN HOSPITALS"

13 Line 3, after "posted" strike remainder of line; strike line 4; line 5, strike  
14 "RECEIVED" insert "whichever is later, or that are submitted"

15 Line 7, after "posted" strike remainder of line; strike line 8, insert ",  
16 whichever is later. CONTRACTORS SHALL NOT PAY HOSPITAL CLAIMS FOR SYSTEM  
17 COVERED SERVICES THAT ARE INITIALLY RECEIVED MORE THAN SIX MONTHS AFTER THE  
18 DATE OF THE SERVICE FOR WHICH PAYMENT IS CLAIMED OR AFTER THE DATE THAT  
19 ELIGIBILITY IS POSTED OR THREE MONTHS AFTER A PRIMARY PAYOR INITIALLY DENIES  
20 OR PAYS A CLAIM, WHICHEVER DATE IS LATER, OR THAT ARE RECEIVED AS CLEAN  
21 CLAIMS MORE THAN TWELVE MONTHS AFTER THE DATE OF SERVICE FOR WHICH PAYMENT IS  
22 CLAIMED OR AFTER THE DATE THAT ELIGIBILITY IS POSTED OR THREE MONTHS AFTER A  
23 PRIMARY PAYOR INITIALLY DENIES OR PAYS A CLAIM, WHICHEVER DATE IS LATER. For  
24 the purposes of this subsection:"

25 Line 14, after the first "A" insert "HOSPITAL"

26 Line 15, after "SERVICE" insert "FOR A HOSPITAL PAYMENT"

27 Line 17, after "RECEIVED" insert "FOR A HOSPITAL CLAIM"

28 Strike lines 20 through 23, insert:

29 ~~3.~~ 4. "Submitted" means the date the claim is received by the  
30 administration or the prepaid capitated provider, whichever is applicable, as  
31 established by the date stamp on the face of the document or other record of  
32 receipt.

1 Page 26, line 31, after "SHALL" insert "DEVELOP A PLAN TO"

2 Strike lines 32 and 33, insert "SYSTEM THAT REQUIRES CONTRACTORS AND HOSPITALS  
3 TO BE ABLE TO SUBMIT, RECEIVE, ADJUDICATE AND PAY ELECTRONIC CLAIMS.

4 P. THE ADMINISTRATION SHALL ESTABLISH A PROCESS TO RECEIVE AND  
5 ACKNOWLEDGE INFORMAL COMPLAINTS FROM PROVIDERS THAT HAVE ATTEMPTED TO RESOLVE  
6 ISSUES WITH CONTRACTORS REGARDING CLAIMS SUBMISSION, PROCESSING OR PAYMENT."

7 Line 36, strike "Claims; timely payment; civil" insert "Hospital claims; timely  
8 payment;"

9 Line 39, after "A" insert "HOSPITAL"

10 Line 41, after "ENTIRE" insert "HOSPITAL"

11 Page 27, line 9, strike "CLEAN CLAIM" insert "CLAIM FROM A HOSPITAL"

12 Line 16, after the period insert "UNLESS OTHERWISE PRESCRIBED IN RULE BY THE  
13 ADMINISTRATION,"

14 Line 34, after "A" insert "HOSPITAL"

15 Line 39, strike "PAYMENT" insert "HOSPITAL PAYMENTS"

16 Page 28, line 2, strike "THIS INFORMATION" insert "THE POLICIES AND PROCEDURES"

17 Strike lines 11 through 45

18 Page 29, strike lines 1 through 8, insert:

19 "E. BEGINNING ON OCTOBER 1, 2009 OR UPON PROMULGATION OF RULES AS  
20 REQUIRED BY THIS SECTION, WHICHEVER IS LATER, IF A NONELECTRONIC CLEAN  
21 HOSPITAL CLAIM IS PAYABLE BUT THE CONTRACTOR DOES NOT PAY THE FULL AMOUNT  
22 OWED WITHIN SIXTY DAYS AFTER THE CLAIM IS RECEIVED, THE CONTRACTOR SHALL PAY  
23 A PENALTY. IF THE CONTRACTOR PAYS THE FULL AMOUNT OWED AFTER THE SIXTIETH DAY  
24 AND ON OR BEFORE THE NINETIETH DAY FOLLOWING THE DATE THE CLAIM WAS RECEIVED,  
25 THE CONTRACTOR SHALL PAY THE HOSPITAL THE AMOUNT OWED, PLUS A PENALTY OF ONE  
26 PER CENT OF THE AMOUNT OWED PER MONTH FOR EACH MONTH OR PORTION OF THE MONTH  
27 UNTIL THE DATE OF PAYMENT. IF THE CONTRACTOR MAKES THE PAYMENT AFTER THE  
28 NINETIETH DAY AND ON OR BEFORE THE ONE HUNDRED TWENTIETH DAY FOLLOWING THE  
29 DATE THE CLAIM WAS RECEIVED, THE CONTRACTOR SHALL PAY THE HOSPITAL THE AMOUNT  
30 OWED, PLUS A PENALTY OF ONE AND A HALF PER CENT OF THE AMOUNT OWED PER MONTH  
31 FOR EACH MONTH OR PORTION OF THE MONTH UNTIL THE DATE OF PAYMENT. IF THE  
32 CONTRACTOR PAYS THE AMOUNT OWED OR THE BALANCE OF THE AMOUNT OWED ON A CLAIM

1 AFTER THE ONE HUNDRED TWENTIETH DAY FOLLOWING THE DATE THE CLAIM WAS  
2 RECEIVED, THE CONTRACTOR SHALL PAY THE HOSPITAL THE AMOUNT OWED PLUS A  
3 PENALTY OF TWO PER CENT OF THE AMOUNT OWED PER MONTH OR PORTION OF THE MONTH  
4 UNTIL THE DATE OF PAYMENT.

5 F. IF A CONTRACTOR PAYS THE FULL AMOUNT OWED ON AN ELECTRONIC CLAIM  
6 AND MAKES THE PAYMENT AFTER THE SIXTIETH DAY FOLLOWING THE DATE THE CLAIM WAS  
7 RECEIVED, THE CONTRACTOR SHALL PAY THE HOSPITAL THE AMOUNT OWED, PLUS A  
8 PENALTY OF TWO PER CENT OF THE AMOUNT OWED PER MONTH FOR EACH MONTH OR  
9 PORTION OF THE MONTH UNTIL THE DATE OF PAYMENT."

10 Reletter to conform

11 Page 29, line 10, after "THAT" insert "DEFINE PARTIAL PAYMENT AND"

12 Line 11, strike "NOT"

13 Strike lines 23 through 26, insert:

14 "K. THE ADMINISTRATION SHALL WORK WITH AFFECTED STAKEHOLDERS,  
15 INCLUDING HOSPITALS AND HEALTH PLANS, TO PRESCRIBE LATE PAYMENT PENALTIES  
16 THAT SHALL APPLY DURING THE ADMINISTRATIVE CLAIMS DISPUTE PROCESS."

17 Strike lines 33 through 44, insert:

18 "M. THE ADMINISTRATION SHALL DEVELOP A PROCESS THAT PRESCRIBES  
19 SANCTIONS AND TIME FRAMES THAT MAY BE IMPOSED ON CONTRACTORS THAT VIOLATE THE  
20 TIMELY PAY REQUIREMENTS IN THIS SECTION AND THE AGGREGATE CLAIM PAYMENT  
21 STANDARDS PRESCRIBED IN SECTION 36-2903 SUBSECTION B, PARAGRAPH 13. THE  
22 SANCTIONS MAY INCLUDE MONETARY PENALTIES, THE CAPPING OF NEW ENROLLMENT AND  
23 OTHER SANCTIONS THE ADMINISTRATION DEEMS APPROPRIATE."

24 Page 30, between lines 4 and 5, insert:

25 "O. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ADMINISTRATION SHALL  
26 REPORT TO THE GOVERNOR AND THE LEGISLATURE ON THE TIMELY PAY PERFORMANCE OF  
27 EACH OF ITS CONTRACTORS. TO DEVELOP THE REPORT, THE ADMINISTRATION SHALL  
28 ESTABLISH REQUIREMENTS AND COLLECT AND ASSESS INFORMATION FROM ALL  
29 CONTRACTORS REGARDING THE NUMBER OF CLAIMS PAID AND THE TIME FRAME IN WHICH  
30 CLAIMS WERE PAID, INCLUDING THE COMPLIANCE RESULTS PRESCRIBED IN SUBSECTION N  
31 OF THIS SECTION. THE ADMINISTRATION SHALL ALSO ESTABLISH REQUIREMENTS AND  
32 COLLECT DATA REGARDING THE TIMELY PAY PERFORMANCE, AS PRESCRIBED IN STATUTE

1 AND RULE, OF CONTRACTORS FROM AN ORGANIZATION REPRESENTING HOSPITALS IN THIS  
2 STATE. THE ADMINISTRATION SHALL COMPARE THE INFORMATION COLLECTED TO DEVELOP  
3 AN OBJECTIVE REPORT ON EVERY CONTRACTOR'S TIMELY PAY PERFORMANCE. THE  
4 ADMINISTRATION SHALL MAKE THE REPORT AVAILABLE ON ITS WEBSITE."

5 Reletter to conform

6 Page 30, line 22, after the first "THE" strike remainder of line; strike lines 23  
7 through 30, insert "DATE OF THE ELECTRONIC VERIFICATION OF RECEIPT BY THE  
8 ADMINISTRATION OR CONTRACTOR. IF THE CLAIM OR ATTACHMENT TO THE CLAIM IS NOT  
9 SUBMITTED ELECTRONICALLY, THE DATE OF RECEIPT SHALL BE DEFINED BY THE  
10 ADMINISTRATION IN RULE. THE ADMINISTRATION SHALL WORK WITH AFFECTED  
11 STAKEHOLDERS INCLUDING HOSPITALS AND HEALTH PLANS, TO DEVELOP RULES  
12 PRESCRIBING THE DATE OF RECEIPT FOR NONELECTRONIC CLAIMS."

13 Page 32, lines 30 and 31, strike "~~36-2904~~ 36-2904.01" insert "36-2904"

14 Page 39, line 39, after "section" strike remainder of line insert "36-2904,  
15 subsection G."

16 Page 42, after line 16, insert:

17 "Sec. 10. AHCCCS health plans timely payment report

18 The Arizona health care cost containment system administration shall  
19 report to the legislature on or before December 31, 2008 on a process the  
20 administration will implement to expedite the claims payment process,  
21 including its plan to implement an electronic claims submission system as  
22 required by section 36-2904, subsection 0, Arizona Revised Statutes. The  
23 report shall include time frames and sanctions that will be applied to health  
24 plans to incentivize timely payment of hospital claims."

25 Amend title to conform

and, as so amended, it do pass

BOB STUMP  
Chairman

1376-health  
4/9/08  
H:jmb