

## HB 2435 -- Payment of Insurance Claims

Sponsor: Lembke

This bill requires the notice of the status of a claim that includes a request for additional information from a health carrier or third-party contractor to specify the information requested and from whom it is requested, such as the claimant, the patient, or another health care provider.

If a health carrier fails to pay or deny a claim within 40 processing days from receipt, in addition to monthly interest due, the carrier must pay the claimant an amount equal to 50% of the claim not to exceed \$100 per day. Currently, the maximum amount is \$20 per day. The penalty will cease if the health carrier pays or denies the claim.

The Department of Insurance, Financial Institutions, and Professional Registration will monitor denials of claims; and if it is determined that a health carrier acted unreasonably in denying a claim, the department will require the carrier to pay a penalty of \$1,000 for each claim. If a denied claim does not include a specific reason for denial, the claim will not be considered denied.

The additional administrative penalties for noncompliance which the department director can assess are increased from \$25 to \$500 per claim and the total aggregate penalty amount from \$250,000 to \$5 million.