

HB 2089 -- HEALTH CARRIER INTEREST PENALTIES ON INSURANCE CLAIMS

SPONSOR: Schroer

This bill modifies the health carrier interest penalty related to insurance claims.

Currently, if a health carrier has not paid the claimant on or before the 45th processing day from the date of receipt of a claim, the health carrier shall pay the claimant 1% interest per month and a penalty in an amount equal to 1% of the claim per day. The interest and penalty shall be calculated based upon the unpaid balance of the claim as of the 45th processing day .

The bill changes the interest and penalty to 1% interest per month and a penalty in an amount equal to 5% of the total claim based upon the unpaid balance of the claim as of the date the penalty is appealed.