

HB0037S04, INSURANCE AMENDMENTS, (Dunnigan, J)

Anticipated Fiscal Impact:

No Fiscal Impact

Summary:

HB 37 3rd Substitute makes modifications to interest charges paid by insurance companies that do not promptly pay medical claims after receiving them from a provider. Currently, an insurance company must pay medical claims within 30 days or incur an interest penalty. If an insurer pays between 31-90 days after receipt, then an insurer pays .1% per day (36%/year), and if over 90 days, then the insurer pays 10% per year. This substitute bill would decrease the interest an insurer would pay to .033% (12%/year). This interest is applied linearly and is not compounded. PEHP would not expect any additional costs to the state employee risk pool due to these changes.

In addition, this substitute bill moves up the reporting date for opioid policies which PEHP provides to the department of insurance each year. This change also would not have any fiscal impact on the state employee health plan.