

HB 37 3rd Sub, INSURANCE AMENDMENTS, (Dunnigan, J)

Anticipated Fiscal Impact:

No anticipated fiscal impact

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 between 31-90 days to .033% (12%/year) but would increase the interest paid on claims over 90 days to .055%/day (20%/year). This interest is applied linearly and is not compounded. Given the offsetting nature of these modifications to interest payments for prompt payment of claims, PEHP would not expect any additional costs to the state employee risk pool due to these changes.

In addition, this bill would move up the date for opioid policy reporting by insurance companies. This change would also not have a fiscal impact on the state employee risk pool.