

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SENATE BILL 1292

AN ACT

AMENDING TITLE 23, CHAPTER 6, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-1062.01; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 23, chapter 6, article 9, Arizona Revised Statutes,
3 is amended by adding section 23-1062.01, to read:

4 23-1062.01 Timely payment of medical, surgical and hospital
5 benefit billing; content of bills; contracts
6 between providers and carriers; exceptions;
7 definitions

8 A. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING
9 REPRESENTATIVE SHALL MAKE A DETERMINATION WHETHER TO DENY OR PAY A MEDICAL
10 BILL ON AN ACCEPTED CLAIM, IN WHOLE OR IN PART, INCLUDING THE DECISION AS TO
11 THE AMOUNT TO PAY, WITHIN THIRTY DAYS FROM THE DATE THE CLAIM IS ACCEPTED, IF
12 THE BILLING IS RECEIVED BEFORE THE DATE OF ACCEPTANCE, OR WITHIN THIRTY DAYS
13 FROM THE DATE OF RECEIPT OF THE BILLING IF THE BILLING IS RECEIVED AFTER THE
14 DATE OF ACCEPTANCE. ALL BILLING DENIALS SHALL BE BASED ON REASONABLE
15 JUSTIFICATION. THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS
16 PROCESSING REPRESENTATIVE SHALL PAY THE APPROVED PORTION OF THE BILLING
17 WITHIN THIRTY DAYS AFTER THE DETERMINATION FOR PAYMENT IS MADE. IF THE
18 BILLING IS NOT PAID WITHIN THE APPLICABLE TIME PERIOD, THE INSURANCE CARRIER,
19 SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE SHALL PAY INTEREST
20 TO THE HEALTH PROVIDER ON THE BILLING AT A RATE THAT IS EQUAL TO THE LEGAL
21 RATE. INTEREST SHALL BE CALCULATED BEGINNING ON THE DATE THAT THE PAYMENT TO
22 THE HEALTH CARE PROVIDER IS DUE.

23 B. ANY BILLING BY A HEALTH CARE PROVIDER SHALL INCLUDE ALL OF THE
24 FOLLOWING:

- 25 1. THE CORRECT DEMOGRAPHIC PATIENT INFORMATION AND CLAIM NUMBER, IF
26 KNOWN.
- 27 2. THE CORRECT HEALTH CARE PROVIDER INFORMATION, INCLUDING NAME,
28 ADDRESS, TELEPHONE NUMBER AND FEDERAL TAXPAYER IDENTIFICATION NUMBER.
- 29 3. THE APPROPRIATE MEDICAL CODING WITH DOLLAR AMOUNTS AND UNITS
30 CLEARLY STATED WITH ALL DESCRIPTIONS.
- 31 4. CLEARLY PRINTED DATE OR DATES OF SERVICE.
- 32 5. LEGIBLE MEDICAL REPORTS REQUIRED FOR EACH DATE OF SERVICE IF THE
33 BILLING IS FOR DIRECT TREATMENT OF THE INJURED WORKER.

34 C. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING
35 REPRESENTATIVE IS NOT RESPONSIBLE FOR PAYMENT OF ANY BILLINGS FOR MEDICAL,
36 SURGICAL OR HOSPITAL BENEFITS PROVIDED UNDER THIS CHAPTER UNLESS THE BILLINGS
37 ARE RECEIVED BY THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS
38 PROCESSING REPRESENTATIVE WITHIN TWELVE MONTHS FROM THE DATE ON WHICH THE
39 MEDICAL SERVICE WAS RENDERED OR FROM THE DATE ON WHICH THE HEALTH CARE
40 PROVIDER KNEW OR SHOULD HAVE KNOWN THAT SERVICE WAS RENDERED ON AN INDUSTRIAL
41 CLAIM, WHICHEVER OCCURS LATER.

42 D. AN INJURED WORKER IS NOT RESPONSIBLE FOR PAYMENT OF ANY PORTION OF
43 A MEDICAL BILL FOR SERVICES RENDERED ON AN ACCEPTED CLAIM AND IS NOT
44 RESPONSIBLE FOR PAYMENT OF ANY DISPUTED AMOUNT BETWEEN A HEALTH CARE PROVIDER

1 AND THE INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING
2 REPRESENTATIVE.

3 E. AN INSURANCE CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING
4 REPRESENTATIVE THAT IS SUBJECT TO THIS CHAPTER MAY ESTABLISH AN INTERNAL
5 SYSTEM FOR RESOLVING PAYMENT DISPUTES AND OTHER CONTRACTUAL GRIEVANCES WITH
6 HEALTH CARE PROVIDERS.

7 F. THIS SECTION DOES NOT APPLY TO HEALTH CARE PROVIDERS THAT ENTER
8 INTO AN EXPRESS WRITTEN CONTRACT WITH THE INSURANCE CARRIER, THE SELF-INSURED
9 EMPLOYER OR A CLAIMS PROCESSING REPRESENTATIVE THAT SPECIFIES THE PERIOD IN
10 WHICH APPROVED BILLS SHALL BE PAID AND THAT INCLUDES CONTRACTUAL REMEDIES FOR
11 UNTIMELY BILL PAYMENT. IF THE CONTRACT DOES NOT INCLUDE REMEDIES FOR
12 UNTIMELY PAYMENT, PAYMENT MUST BE MADE ACCORDING TO THE PROVISIONS OF THE
13 CONTRACT BUT THE INTEREST PENALTY PRESCRIBED BY SUBSECTION A SHALL APPLY TO
14 ANY LATE PAYMENT. THE COMMISSION DOES NOT HAVE JURISDICTION OVER DISPUTES
15 INVOLVING TIMELY PAYMENT OF BILLINGS UNDER CONTRACTS BETWEEN THE INSURANCE
16 CARRIER, SELF-INSURED EMPLOYER OR CLAIMS PROCESSING REPRESENTATIVE AND THE
17 HEALTH CARE PROVIDER.

18 G. FOR THE PURPOSES OF THIS SECTION:

19 1. "ACCEPTED CLAIM" MEANS A CLAIM FOR BENEFITS UNDER THIS CHAPTER THAT
20 HAS BEEN ACCEPTED BY A FINAL NOTICE OF CLAIM STATUS OR FINAL ORDER OR AWARD
21 OF THE COMMISSION.

22 2. "DATE OF RECEIPT" MEANS THE RECIPIENT'S DATE STAMP OR ELECTRONIC
23 ACKNOWLEDGEMENT DATE OR, IF A BILL DOES NOT CONTAIN A DATE STAMP OR
24 ELECTRONIC ACKNOWLEDGMENT DATE, THE DATE OF RECEIPT IS PRESUMED TO OCCUR FIVE
25 DAYS AFTER THE BILL WAS MAILED TO THE RECIPIENT'S ADDRESS.