

As Amended by House Committee

Session of 2014

HOUSE BILL No. 2552

By Committee on Health and Human Services

1-31

1 AN ACT concerning the Kansas medical assistance program contracts
2 with managed care organizations.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) Any contract between the Kansas medical assistance
6 program and any managed care organization serving the state of Kansas
7 shall require the processing and ~~payment~~ **full payment of the allowed**
8 **amount** or processing and denial by the managed care organization of all
9 clean claims within 30 days after receipt of the clean claim, and the
10 processing and ~~payment~~ **full payment of the allowed amount** or
11 processing and denial by the managed care organization of all claims
12 within 90 days after receipt of the claim. The contract shall also include a
13 late payment provision that requires the managed care organization to pay
14 interest to the provider at the rate of 12% per annum for each month that
15 the managed care organization has neither processed and ~~paid~~ **fully paid**
16 **the allowed amount** nor processed and denied a submitted claim or clean
17 claim after the time limits set forth in this section. **The Kansas medical**
18 **assistance program shall also require managed care organizations to**
19 **include a provision outlining the provider's rights under this section in**
20 **the managed care organization's contracts with providers. A provider**
21 **that has a claim that remains unpaid by a managed care organization**
22 **after the time limits set forth in this section may bring a direct cause**
23 **of action against the managed care organization for the interest**
24 **provided for in this section in addition to the amount of the unpaid**
25 **claim.**

26 (b) For the purposes of this section, the terms "claim" and "clean
27 claim" shall be assigned the same meanings as provided by 42 C.F.R. §
28 447.45(b).

29 (c) The secretary of health and environment shall adopt rules and
30 regulations to carry out the provisions of this section, and amendments
31 thereto.

32 Sec. 2. This act shall take effect and be in force from and after its
33 publication in the statute book.