

Prompt Payment of Claims by Managed Care Organizations and Legislative Approval Required for Medicaid Expansion; HB 2552

HB 2552 enacts new law relating to a requirement on contracts between the Kansas Medical Assistance Program (KMAP) and any managed care organization (MCO) and amends the law pertaining to the guidelines for medical assistance to prohibit the expansion of Medicaid eligibility without the express consent and approval of the Legislature.

Prompt Payment of Claims

The bill requires any contract between the KMAP and any MCO to require the allowed amount on all clean claims be fully paid or denied within 30 days after receipt and the allowed amount on all other claims be fully paid or denied within 90 days after receipt. The bill also requires the contract to include a late payment provision which requires the MCOs to pay the provider at the rate of 12.0 percent per annum for each month the MCO does not fully pay the allowed amount or deny the claims within the assigned time limits.

The bill also requires the KMAP to require MCOs' contracts with providers to include a provider's rights provision. A provider with a claim that remains unpaid by an MCO after the applicable time limits may bring a direct cause of action against the MCO for the amount of the unpaid claim and interest.

The terms "claim" and "clean" are assigned the same meanings as provided in 42 CFR § 447.45(b).

The bill requires the Secretary of Health and Environment to adopt rules and regulations to carry out the claim payment requirements and penalties.

Legislative Approval of Medicaid Expansion

Additionally, the bill amends the law pertaining to the guidelines for medical assistance to prohibit the expansion of Medicaid eligibility, as provided for in the federal Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, unless the Legislature expressly consents to and approves of this expansion by an act of the Legislature.