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Date: (Filing No. S- )

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE  
SENATE  
130TH LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 423, L.D. 1317, “An Act To Regulate Insurance Carrier Concurrent, Prepayment and Postpayment Review”

Amend the bill by striking out the title and substituting the following:

**'An Act To Regulate Insurance Carrier Practice or Facility-wide Prepayment Review'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

**'Sec. 1. 24-A MRSA §4303, sub-§24** is enacted to read:

**24. Practice or facility-wide prepayment review of providers.** A practice or facility-wide prepayment review of the documentation or records of a provider conducted by a carrier for the purposes of identifying fraud, waste or abuse, determining whether the documentation is appropriate or adequate to support a claim for covered health care services or determining whether health care services are or were medically necessary health care as a condition of payment must be conducted in accordance with the following requirements.

A. When a carrier subjects a provider or facility to a practice or facility-wide prepayment review, the carrier shall provide a process to allow claims and documentation to be submitted to the carrier electronically for purposes of proving timely filing and tracking the carrier's compliance with time limits in other applicable laws.

B. Claims subject to a practice or facility-wide prepayment review must be paid or disputed within 30 days as required by section 2436. Any claim that is not disputed pursuant to section 2436 or paid within 30 days by the carrier is overdue and subject to interest in accordance with section 2436.

C. Any records of an enrollee reviewed as part of a practice or facility-wide prepayment review must be reviewed by the same reviewer to the extent possible. The reviewer who performs the practice or facility-wide prepayment review is the primary contact person for the provider related to an audit, review, denial or nonpayment of a

**COMMITTEE AMENDMENT**

1 claim. Any practice or facility-wide prepayment review that involves clinical or  
2 professional judgement must be conducted by or in consultation with a clinical peer.

3 D. A carrier may not apply additional or different documentation standards beyond the  
4 standards set by the professional association of the provider subject to practice or  
5 facility-wide prepayment review if those standards are publicly available or made  
6 available to the carrier. This paragraph does not prohibit carriers from establishing or  
7 applying medical policies or clinical guidelines to determine whether a service is a  
8 covered benefit and medically necessary health care. This paragraph does not apply to  
9 claims submitted by a hospital or other health care facility.

10 E. A carrier may not deny payment of a claim for covered health care services by a  
11 provider solely on the basis of a minor documentation error or omission, including, but  
12 not limited to, misspelling, use of an abbreviation or a correctable error, unless the  
13 carrier affords the provider or enrollee the opportunity to resubmit the claim to correct  
14 the identified error.

15 F. If a carrier requires additional information as part of a practice or facility-wide  
16 prepayment review of a claim for covered health care services by a provider, the carrier  
17 shall inform the provider with reasonable specificity of the information needed by the  
18 carrier to adjudicate the claim.

19 G. Additional information required by a carrier is considered timely filed by the  
20 provider if submitted within 30 days from the date the provider received notice from  
21 the carrier of the errors, omissions or additional information needed.

22 H. A carrier shall provide information on how a provider may appeal the denial of a  
23 claim, including the mailing or e-mail address or fax number where an appeal should  
24 be sent, on its publicly accessible website or in a provider manual.

25 I. A carrier shall provide an opportunity to appeal the results of an audit leading to the  
26 provider being put on a practice or facility-wide prepayment review.

27 J. A carrier may not audit a provider or require that a provider's claims be subject to  
28 practice or facility-wide prepayment review as retribution for raising contract disputes.

29 For the purposes of this subsection, "practice or facility-wide prepayment review" means a  
30 manual review or audit process of all, or substantially all, of a provider's claims by a carrier  
31 or the carrier's agent.

32 **Sec. 2. Application.** This Act applies to any claim that has been subjected to practice  
33 or facility-wide prepayment review as described in the Maine Revised Statutes, Title 24-A,  
34 section 4303, subsection 24 that has not yet been resolved as of the effective date of this  
35 Act and to any claim submitted by a provider on or after the effective date of this Act.'

36 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
37 number to read consecutively.

38 **SUMMARY**

39 This amendment replaces the bill and establishes requirements for carriers performing  
40 practice or facility-wide prepayment review of claims for payment made by providers for  
41 covered health care services. The requirements apply to any claim of a provider that has  
42 been subjected to practice or facility-wide prepayment review that has not yet been resolved

1 as of the effective date of the bill and any claim submitted by a provider on or after the  
2 effective date of the legislation.