

HB3327



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3327

Introduced 2/19/2021, by Rep. Jackie Haas

SYNOPSIS AS INTRODUCED:

215 ILCS 5/368a

Amends the Illinois Insurance Code. In provisions concerning timely payment for health care services, provides that failure to make periodic payments within specified time periods shall entitle a health care professional, health care facility, independent practice association, physician-hospital organization, insurer, health maintenance organization, managed care plans health care plan, preferred provider organization, or third party administrator to interest at the rate of 9% semiannually (rather than 9% per year).

LRB102 14001 BMS 19353 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 368a as follows:

6 (215 ILCS 5/368a)

7 Sec. 368a. Timely payment for health care services.

8 (a) This Section applies to insurers, health maintenance
9 organizations, managed care plans, health care plans,
10 preferred provider organizations, third party administrators,
11 independent practice associations, and physician-hospital
12 organizations (hereinafter referred to as "payors") that
13 provide periodic payments, which are payments not requiring a
14 claim, bill, capitation encounter data, or capitation
15 reconciliation reports, such as prospective capitation
16 payments, to health care professionals and health care
17 facilities to provide medical or health care services for
18 insureds or enrollees.

19 (1) A payor shall make periodic payments in accordance
20 with item (3). Failure to make periodic payments within
21 the period of time specified in item (3) shall entitle the
22 health care professional or health care facility to
23 interest at the rate of 9% semiannually ~~per year~~ from the

1 date payment was required to be made to the date of the
2 late payment, provided that interest amounting to less
3 than \$1 need not be paid. Any required interest payments
4 shall be made within 30 days after the payment.

5 (2) When a payor requires selection of a health care
6 professional or health care facility, the selection shall
7 be completed by the insured or enrollee no later than 30
8 days after enrollment. The payor shall provide written
9 notice of this requirement to all insureds and enrollees.
10 Nothing in this Section shall be construed to require a
11 payor to select a health care professional or health care
12 facility for an insured or enrollee.

13 (3) A payor shall provide the health care professional
14 or health care facility with notice of the selection as a
15 health care professional or health care facility by an
16 insured or enrollee and the effective date of the
17 selection within 60 calendar days after the selection. No
18 later than the 60th day following the date an insured or
19 enrollee has selected a health care professional or health
20 care facility or the date that selection becomes
21 effective, whichever is later, or in cases of
22 retrospective enrollment only, 30 days after notice by an
23 employer to the payor of the selection, a payor shall
24 begin periodic payment of the required amounts to the
25 insured's or enrollee's health care professional or health
26 care facility, or the designee of either, calculated from

1 the date of selection or the date the selection becomes
2 effective, whichever is later. All subsequent payments
3 shall be made in accordance with a monthly periodic cycle.

4 (b) Notwithstanding any other provision of this Section,
5 independent practice associations and physician-hospital
6 organizations shall make periodic payment of the required
7 amounts in accordance with a monthly periodic schedule after
8 an insured or enrollee has selected a health care professional
9 or health care facility or after that selection becomes
10 effective, whichever is later.

11 Notwithstanding any other provision of this Section,
12 independent practice associations and physician-hospital
13 organizations shall make all other payments for health
14 services within 30 days after receipt of due proof of loss.
15 Independent practice associations and physician-hospital
16 organizations shall notify the insured, insured's assignee,
17 health care professional, or health care facility of any
18 failure to provide sufficient documentation for a due proof of
19 loss within 30 days after receipt of the claim for health
20 services.

21 Failure to pay within the required time period shall
22 entitle the payee to interest at the rate of 9% semiannually
23 ~~per year~~ from the date the payment is due to the date of the
24 late payment, provided that interest amounting to less than \$1
25 need not be paid. Any required interest payments shall be made
26 within 30 days after the payment.

1 (c) All insurers, health maintenance organizations,
2 managed care plans, health care plans, preferred provider
3 organizations, and third party administrators shall ensure
4 that all claims and indemnities concerning health care
5 services other than for any periodic payment shall be paid
6 within 30 days after receipt of due written proof of such loss.
7 An insured, insured's assignee, health care professional, or
8 health care facility shall be notified of any known failure to
9 provide sufficient documentation for a due proof of loss
10 within 30 days after receipt of the claim for health care
11 services. Failure to pay within such period shall entitle the
12 payee to interest at the rate of 9% semiannually ~~per year~~ from
13 the 30th day after receipt of such proof of loss to the date of
14 late payment, provided that interest amounting to less than
15 one dollar need not be paid. Any required interest payments
16 shall be made within 30 days after the payment.

17 (d) The Department shall enforce the provisions of this
18 Section pursuant to the enforcement powers granted to it by
19 law.

20 (e) The Department is hereby granted specific authority to
21 issue a cease and desist order, fine, or otherwise penalize
22 independent practice associations and physician-hospital
23 organizations that violate this Section. The Department shall
24 adopt reasonable rules to enforce compliance with this Section
25 by independent practice associations and physician-hospital
26 organizations.

1 (Source: P.A. 97-813, eff. 7-13-12.)