

**STATE OF NEW MEXICO
PUBLIC REGULATION COMMISSION
DIVISION OF INSURANCE**

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BULLETIN No. 2002-005

August 6, 2002

**TO: ALL HEALTH PLANS AND MANAGED HEALTH CARE PLANS
IN NEW MEXICO**

**RE: CLARIFICATION OF APPLICABLE INTEREST AND TIME
PERIODS FOR UNPAID CLEAN CLAIMS**

THE FOLLOWING BULLETIN is issued Insurance Division Rule 13 NMAC 1.2.1 to 1.2.10:

The purpose of this Bulletin is to set forth the Department's position with regard to the applicable time periods and interest to be paid for unpaid clean claims.

The New Mexico Insurance Code, § 59A-2-9.2 provides that a *health plan* shall pay interest on a plan's liability at the rate of 1.5% a month on the amount of a clean claim:

- (1) electronically submitted by the participating provider and not paid within 30 days of the date of receipt; and
- (2) manually submitted by the participating provider and not paid within 45 days of the date of receipt.

We are in the process of reviewing the Managed Health Care Rule, 13 NMAC 10.13.25(O) to determine whether clarification through amendment is necessary to ensure consistency with Article 2, which was enacted in 2000. This administrative rule provision currently requires that all provider contracts contain language providing that a *managed health care plan* failing to pay a provider or an enrollee for out-of-pocket covered expenses within 45 days after a clean claim has been received by the *managed health care plan* shall be liable for the amount due and unpaid with interest on that amount at the rate of one and one half times the rate established by a bulletin entered by the Superintendent in January of each calendar year.

Based upon these laws, all *health plans* and *managed health care plans* are directed to pay electronically submitted clean claims within 30 days and manually submitted clean claims within 45 days from the date of their receipt by the *health plan* or *managed health care plan*. Any plan failing to pay a clean claim within these prescribed time periods shall pay interest on the plan's liability at the rate of 1.5% a month or 18 % per year.

The interest rate shall apply to the entire period that the claim remains unpaid, starting from the date that the *health plan* or *managed health care plan* receives the clean claim until the clean claim is paid in full.

Health plans and *managed health care plans* are directed to review both their contract provisions and their policies and procedures for processing and paying claims and make required changes consistent with this Bulletin.

Please be advised that a violation of the requirements prescribed under Section 59A-2-9.2, in addition, may constitute an unfair trade practice under Article 16.

Any questions on the Bulletin may be directed to:

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