



AB 1455 Regulations: Unfair Payment Practices Summary

- ▶ **Plans may not impose a deadline for claims submission that is less than 90 days for contracting physicians and less than 180 days for non-contracting physicians.** An unfair payment pattern exists if a plan imposes a filing deadline that is inconsistent with the above in three (3) or more claims over the course of any three-month period.
- ▶ **Plans are required to forward misdirected claims to the appropriate medical group/IPA and medical groups must forward misdirected claims to the appropriate health plan.** An unfair payment pattern exists if a plan fails to forward at least 95% of misdirected claims over the course of any three-month period.
- ▶ **Plans must accept a late claim if the physician files a formal physician dispute with the payor and demonstrates “good cause” for the claim filing delay.** An unfair payment pattern exists if a plan does not accept late claims at least 95% of the time for the affected claims over the course of any three-month period.
- ▶ **Plans must appropriately request refunds for claims that have been overpaid.** An unfair payment pattern exists if a plan fails to request reimbursement of an overpayment of a claim at least 95% of the time for the affected claims over the course of any three-month period.
- ▶ **Plans must acknowledge receipt of all physician claims, whether or not complete, electronically, by post, phone or website.** An unfair payment pattern exists if a plan fails to acknowledge the receipt of at least 95% of claims over the course of any three-month period.
- ▶ **Plans must provide an accurate and clear written explanation of the specific reasons that each claim has been denied, adjusted or contested.** An unfair payment pattern exists if a plan fails to provide specific reasons for denying, adjusting or contesting a claim at least 95% of the time for the affected claims over the course of any three-month period.
- ▶ **Plans may not include a provision in a provider contract that requires a physician to submit medical records that are not reasonably relevant to the adjudication of a claim.** An unfair payment pattern exists if a plan makes an unreasonable/unnecessary request for medical records on three or more occasions over the course of any three-month period.
- ▶ **Plans must justify to DMHC (Department of Managed Healthcare) that requests for medical records more frequently than in three-percent (3%) of the claims submitted over any 12-month period for non-emergency services and twenty percent (20%) of the claims submitted for emergency services were reasonably necessary.** An unfair payment pattern exists if a plan fails to justify to the DMHC the reasonableness of its requests.
- ▶ **Plans must reimburse claims with the correct payment including the automatic payment of all interest and penalties due.** An unfair payment pattern exists if a plan fails to reimburse claims correctly at least 95% of the time during the course of any three-month period.
- ▶ **Plans must contest or deny claims within 45 days (HMO) or 30 days (PPO) of receipt.** An unfair payment pattern exists if a plan fails to contest or deny affected claims within the required time period at least 95% of the time over the course of any three-month period.
- ▶ **Plans must contractually require its claims processing organizations and/or its capitated providers to comply with the requirements of these regulations.** An unfair payment pattern



exists if a plan fails to do so with three (3) or more of its contracts over the course of any three-month period.

- ▶ **Plans must provide Information for Contracting Providers, the Fee Schedule and Other Required Information disclosures to all contracted providers on or before January 1, 2004, initially upon contracting and upon the contracted physician's request.** Plans must fully disclose fee schedules and the payment rules used to adjudicate claims to physicians as well as a description of the plan's provider dispute process. An unfair payment pattern exists if a plan fails to provide this information to three or more contracted providers over the course of any three-month period.
- ▶ **Plans must provide contracted physicians with 45 days notice of any modifications to the Information for Contracting Physician, to the Fee Schedule or Other Required Information.** An unfair payment pattern exists if a plan fails to provide appropriate notice to 3 or more contracted physicians over the course of any three-month period.
- ▶ **Plans may not require physicians to waive protections or assume any plan obligation pursuant to the Knox-Keene Act.** An unfair payment pattern exists if a plan does so on 3 or more occasions over the course of any three-month period.
- ▶ **Plans must provide physicians with a Notice to Provider of Dispute Mechanisms whenever a plan contests, adjusts or denies a claim.** An unfair payment pattern exists if a plan fails to provide physicians with the appropriate notice at least 95% of the time for the affected claims over the course of any three-month period.
- ▶ **Plans must acknowledge the receipt of a provider dispute within two (2) working days of the receipt of an electronic provider dispute and within fifteen (15) days of the date of receipt of a paper provider dispute.** An unfair payment pattern exists if a plan fails to acknowledge at least 95% of the affected claims over the course of any three-month period.
- ▶ **Plans may not impose a provider dispute filing deadline of less than 365 days from the date the plan denied the claim.** An unfair payment pattern exists when a plan fails to comply with the Time Period for Resolution and Written Determination requirements at least 95% of the time over the course of a three-month period.
- ▶ **Plans must resolve physician disputes within 45 days of receipt of the physician dispute.** An unfair payment pattern exists if a plan fails to resolve at least 95% of the disputed claims during the specified time period over the course of any three-month period.
- ▶ **Plans cannot rescind or modify an authorization for services after the physician renders the services pursuant to a prior authorization.** An unfair payment pattern exists if a plan rescinds or modifies a prior authorization for services on three or more occasions over the course of any three-month period.