



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0217/1
PJK:sac:jf

DOA:.....Iwata, BB0005 – Require third-party payers to accept MA claims electronically

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which provides health care benefits to low-income individuals and families (recipients) through a combination of federal and state funding. If a recipient has health care coverage from another source (third party), such as a health insurance policy or an employer's self-insured health plan, the recipient's right to the health care benefits from the third party for items or services for which payment has been made under MA is assigned to DHS, entitling DHS to be reimbursed by the third party for any MA payments that DHS has made. This bill requires a third party to accept claims from DHS in electronic form for reimbursement of payments made under MA and to timely pay the claims in the manner provided under the statute that, generally, requires an insurer to pay a claim within 30 days after receiving notice of the claim.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 49.475 (title) of the statutes is amended to read:

49.475 (title) Information about assistance program beneficiaries; electronic submission of claims.

SECTION 2. 49.475 (2) (except 49.475 (2) (title)) of the statutes is renumbered 49.475 (2) (ac), and 49.475 (2) (ac) 1. b. and 4. (intro.), as renumbered, are amended to read:

49.475 (2) (ac) 1. b. If subd. 1. a. applies, the nature and period of time of any coverage, benefit, or service provided, including the name, address, and identifying number of any applicable coverage plan.

4. (intro.) If all of the following apply, agree not to deny a claim submitted by the department under ~~par. (b)~~ subd. 2. solely because of the claim's submission date, the type or format of the claim form, or failure by a recipient to present proper documentation at the time of delivery of the service, benefit, or item that is the basis of the claim:

SECTION 3. 49.475 (2) (bc) of the statutes is created to read:

49.475 (2) (bc) A 3rd party shall accept the submission of claims from the department under par. (ac) 2. in electronic form and shall timely pay the claims in the manner provided in s. 628.46 (1) and (2). For purposes of timely payment of claims under this paragraph, "written notice" under s. 628.46 (1) includes receipt of a claim in electronic form.

SECTION 4. 49.475 (2m) (a) of the statutes is amended to read:

49.475 (2m) (a) The information that the department may request under this section is limited to the information specified in sub. (2) ~~(a)~~ (ac) 1. and does not include an employer's name unless that information is necessary for the department or a provider to obtain 3rd-party payment for an item or service.

SECTION 5. 49.475 (2m) (b) of the statutes is amended to read:

49.475 **(2m)** (b) If information under sub. (2) ~~(a)~~ (ac) 1. may be available from more than one source that includes an employer operating a self-insured plan, the department shall seek the information first from a 3rd-party administrator or other entity identified in sub. (1) (f) 7. or pharmacy benefits manager before seeking the information from the employer.

SECTION 6. 49.475 (3) (intro.) of the statutes is amended to read:

49.475 **(3)** WRITTEN AGREEMENT. (intro.) Upon requesting a 3rd party to provide the information under sub. (2) ~~(a)~~ (ac) 1., the department and the 3rd party shall enter into a written agreement that satisfies all of the following:

SECTION 7. 49.475 (4) (a) of the statutes is amended to read:

49.475 **(4)** (a) A 3rd party shall provide the information requested under sub. (2) ~~(a)~~ (ac) 1. within 180 days after receiving the department's request if it is the first time that the department has requested the 3rd party to disclose information under this section.

SECTION 8. 49.475 (4) (b) of the statutes is amended to read:

49.475 **(4)** (b) A 3rd party shall provide the information requested under sub. (2) ~~(a)~~ (ac) 1. within 30 days after receiving the department's request if the department has previously requested the 3rd party to disclose information under this section.

SECTION 9. 49.475 (5) of the statutes is amended to read:

49.475 **(5)** REIMBURSEMENT OF COSTS. From the appropriations under s. 20.435 (4) (bm) and (pa), the department shall reimburse a 3rd party that provides information under sub. (2) ~~(a)~~ (ac) 1. for the 3rd party's reasonable costs incurred in

providing the requested information, including its reasonable costs, if any, to develop and operate automated systems specifically for the disclosure of the information.

SECTION 9318. Initial applicability; Health Services

(1) ELECTRONIC SUBMISSION OF MEDICAL ASSISTANCE CLAIMS. The amendment of section 49.475 (title) of the statutes and the creation of section 49.475 (2) (bc) of the statutes first apply to claims that are submitted on the effective date of this subsection.

(END)