



# MWHCA

Maryland Workplace Health Care Association, Inc.

## **SB 554 & HB 1081**

### **Health Insurance**

## **Prompt Payment of Claims by Carriers – Clean Claims**

**This legislation is proposed in the hope of correcting problems that often occur when an injured worker receives health care, with the approval of the workers' compensation insurer, but fails to file a workers' compensation claim (C-1). Two thirds of workers compensation related health care in Maryland fall into the category, referred to as "Medical Only Claims," the majority of which meet the following criteria:**

- The employer and insurer acknowledge that the injury is "compensable;"
- The health care in question was pre-approved, often in writing; and
- The amount billed by the health care provider is not in dispute.

Health care providers often encounter difficulty in obtaining timely payments for health care provided to injured workers, including 'Medical Only Claims,' due to a split in the authority that regulates workers' compensation insurers between the Maryland Insurance Administration (MIA) and the Maryland Workers' Compensation Commission (WCC).

- MIA has the authority to **regulate** the proper sale and administration of insurance in Maryland, including workers' compensation and health care insurance.
- WCC has the authority to **adjudicate** workers' compensation claims, including the any dispute regarding health care. However, the WCC lacks a cost effective process to facilitate timely payments for 'Medical Only Claims' (two thirds of all health care).
- While the "Clean Claim" provisions of Maryland Insurance Law do not preclude its application to undisputed "Medical Only Claims" for health care provided to injured workers, the MIA defers all such matters to the WCC.

In essence, a workers' compensation policy is a composite of health care insurance and indemnity (wage loss) insurance coverage. While it may be generally assumed that an injured worker will file a claim to collect both medical and wage loss benefits, that is most often not the case. Therefore, when an injured worker receives health care absent a claim under the workers' compensation law, it could and perhaps should be considered a health insurance claim and therefore subject to the prompt payment provisions of the insurance law (Article 15, Section 1005).

The time consuming, labor intensive process required to collect fees, even "Clean Claims," utilizing the WCC procedures often exceed or significantly reduce the value of the fees to be collected. Consequently, many health care providers are reluctant to pursue outstanding reimbursements. These reimbursement issues also discourage health care providers from extending services to injured workers.

Conversely, these health care providers' experience few if any problems relative to receipt of payments for similar services covered by other forms of insurance. The reason for this disparity is directly attributed to the MIA's enforcement of "Prompt Payment" requirements.