

1 SB484
2 136054-1
3 By Senator Bedford
4 RFD: Banking and Insurance
5 First Read: 05-APR-12

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8 SYNOPSIS: To repeal portions of Title 27 of the Code
9 of Alabama 1975.

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11 A BILL
12 TO BE ENTITLED
13 AN ACT
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15 Relating to the Alabama Insurance Code, to repeal
16 the following:

17 27-1-12 Each willful violation of this title for
18 which a greater penalty is not provided by another provision
19 of this title or by other applicable laws of this state shall,
20 in addition to any applicable prescribed denial, suspension,
21 or revocation of certificate of authority or license, be
22 punishable as a misdemeanor, upon conviction, by a fine of not
23 more than \$1,000.00, or by imprisonment in the county jail, or
24 by sentence to hard labor for the county, for a period not to
25 exceed one year, or by both such fine and imprisonment or hard

1 labor in the discretion of the court. Each instance of
2 violation shall be considered a separate offense.

3 27-1-13 Every form of insurance document and every
4 rate or other filing lawfully in use immediately prior to
5 January 1, 1972, may continue to be so used or be effective
6 until the commissioner otherwise prescribes pursuant to this
7 title.

8 27-1-14 This title shall not impair or affect any
9 act done, offense committed or right accruing, accrued, or
10 acquired or liability, penalty, forfeiture, or punishment
11 incurred prior to January 1, 1972, but the same may be
12 enjoyed, asserted, enforced, prosecuted, or inflicted, as
13 fully, and to the same extent, as was possible prior to
14 January 1, 1972.

15 27-1-15 Notwithstanding any other provision of law,
16 when any contract of health insurance or any plan or agreement
17 for health services provides for the reimbursement or payment
18 for services which are within the scope of a podiatrist's
19 professional license as defined in the general laws of
20 Alabama, such policy shall be construed to include payment to
21 a podiatrist who has performed such procedures.

22 27-1-16 (a) (1) The Commissioner of the Department of
23 Insurance shall prescribe a standard health insurance claim
24 form to be used by all hospitals. The forms shall be
25 prescribed in a format which allows for the use of generally
26 accepted diagnosis and treatment coding systems by providers

1 of health care and payors. The standard form shall be accepted
2 and used by all insurers doing business in the State of
3 Alabama and by all state agencies which pay providers of
4 health care for hospital services. (2) The Commissioner of
5 the Department of Insurance shall also prescribe a format for
6 all health insurance claims transmitted or submitted for
7 payment by electronic or electro-mechanical means. Such a
8 format shall be used by all insurers doing business in the
9 State of Alabama and by all state agencies which pay providers
10 of health care for hospital services. (b) An advisory
11 committee of five persons, two appointed by the Alabama
12 Hospital Association, two by the Health Insurance Association
13 of America, and one by an Alabama nonprofit corporation which
14 markets health insurance, shall advise the commissioner on an
15 acceptable standard health insurance claim form and an
16 electronic or electro-mechanical claims form no later than 60
17 days prior to January 1, 1982. If changes in the forms need to
18 be made at any future time, the Commissioner of the Department
19 of Insurance shall inform the advisory committee and the
20 committee shall make recommendations as to the changes. (c)
21 All insurers doing business in Alabama and all state agencies
22 shall accept, for services from physicians licensed to
23 practice medicine, the Uniform Health Insurance Claim Form
24 approved by the Council on Medical Service of the American
25 Medical Association. Nothing in this section shall be
26 construed to prohibit an insurer or state agency from

1 accepting any other health insurance claim form for services
2 provided by a physician licensed to practice medicine. (d)
3 Every third party prescription program serving patients in
4 Alabama shall utilize the Universal Pharmacy Billing Claim
5 Form or format used by pharmacists billing for their services.
6 Information required on the universal prescription claim form,
7 either hard copy or electronic, shall be in compliance with
8 the National Council on Pharmaceutical Drug Plan standards. If
9 a provider, due to the location of the pharmacy, cannot comply
10 with electronic claims submission requirements, then the
11 prescription program shall allow the pharmacy to submit claims
12 via hard copy. Pharmacy providers and recipients shall be
13 given at least 45 days advance notice regarding changes in
14 procedures and benefits. (e) All insurers doing business in
15 Alabama and all state agencies shall accept for services from
16 dentists licensed to practice dentistry, the Uniform Dental
17 Claim Form approved by the Council on Dental Care Programs of
18 the American Dental Association. Nothing in this section shall
19 be construed to prohibit an insurer or state agency from
20 accepting any other dental insurance claim form for services
21 provided by a dentist licensed to practice dentistry. (f) The
22 foregoing provisions shall not apply to the Alabama Medicaid
23 Agency.

24 27-1-17 (a) Each insurer, health service
25 corporation, and health benefit plan that issues or renews any
26 policy of accident or health insurance providing benefits for

1 medical or hospital expenses for its insured persons shall pay
2 for services rendered by Alabama health care providers within
3 45 calendar days upon receipt of a clean written claim or 30
4 calendar days upon receipt of a clean electronic claim. If the
5 insurer, health service corporation, or health benefit plan is
6 denying or pending the claim, the insurer, health service
7 corporation, or health benefit plan shall, within 45 calendar
8 days for a written claim and 30 calendar days for an
9 electronic claim, notify the health care provider or
10 certificate holder of the reason for denying or pending the
11 claim and what, if any, additional information is required to
12 process the claim. Any undisputed portion of the claim shall
13 be paid in accordance with the foregoing schedule. If the
14 insurer, health service corporation, or health benefit plan
15 fails to provide the notice to the health care provider of the
16 reason for denying or pending the claim, then any such claim,
17 if and when determined to be payable, shall accrue interest at
18 the rate as provided herein, from the date such notice should
19 have been given in accordance with this provision. Upon
20 receipt of the necessary information, the claim must be paid,
21 denied, or otherwise adjudicated within 21 calendar days from
22 the receipt of the requested information. The failure of an
23 insurer, health service corporation, or health benefit plan to
24 comply with the time limits in this section shall not have the
25 effect of requiring coverage for an otherwise non-covered
26 claim. This section shall only apply to payments made on a

1 claims basis and shall not apply to capitation or other forms
2 of periodic payment to providers. For the purposes of this
3 section, an insurer, health service corporation, or health
4 benefit plan domiciled outside of the State of Alabama is
5 deemed to be subject to the provisions of this section if it
6 receives, processes, adjudicates, pays, or denies claims for
7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Sections 27-1-1 to 27-1-17, Code of
9 Alabama 1975, are repealed.

10 Section 2. This act shall become effective
11 immediately following its passage and approval by the
12 Governor, or its otherwise becoming law.