



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2830

Introduced 1/19/2024, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-16.14 new

Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to adopt rules and policies within 90 days after the effective date of the amendatory Act for interest penalties to be imposed on managed care organizations for all delayed payments, as defined, to medical providers. Provides that if payment is not issued from the managed care organization to the medical provider within 30 days of receiving the funds from the State, it shall be considered a delayed payment and an interest penalty of 1.0% of any amount unpaid shall be added for each month or fraction thereof after the end of this 30-day period, until final payment is made. Provides that if payment is not issued from the managed care organization to the medical provider within 60 days of receiving the funds from the State, the interest penalty shall increase to 2.5% of any amount unpaid, until final payment is made. Provides that if payment is not issued from the managed care organization to the medical provider within 90 days of receiving the funds from the State, the interest penalty shall increase to 5% of any amount unpaid, until final payment is made. Requires managed care organizations to review in a timely manner each claim made to it and provide the Department with a quarterly report indicating certain information, including, but not limited to: (i) the number of claims and dollar amount received by the managed care organization from providers for that quarter; (ii) the average length of time for that quarter it took the managed care organization to pay a provider claim from when it was first submitted; and (iii) the total number and dollar amount of interest penalty payments incurred for that quarter. Requires the Department to annually review managed care payment times and provide details of delays in the Department's annual report.

LRB103 36606 KTG 66715 b

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by
5 adding Section 5-16.14 as follows:

6 (305 ILCS 5/5-16.14 new)

7 Sec. 5-16.14. Managed care prompt payment to providers.

8 (a) The Department shall adopt rules and policies within
9 90 days after the effective date of this amendatory Act of the
10 103rd General Assembly for interest penalties to be imposed on
11 managed care organizations for all delayed payments to medical
12 providers. As used in this Section, "delayed payment" means a
13 payment owed by a managed care organization to a medical
14 provider when the State has provided the managed care
15 organization with the funds for the payment, but the payment
16 to the medical provider has taken over 30 days from submission
17 of a claim by a medical provider or a posting of quarterly
18 incentive payments by the Department.

19 (b) If payment is not issued from the managed care
20 organization to the medical provider within 30 days of
21 receiving the funds from the State, it shall be considered a
22 delayed payment and an interest penalty of 1.0% of any amount
23 unpaid shall be added for each month or fraction thereof after

1 the end of this 30-day period, until final payment is made. If
2 payment is not issued from the managed care organization to
3 the medical provider within 60 days of receiving the funds
4 from the State, the interest penalty shall increase to 2.5% of
5 any amount unpaid, until final payment is made. If payment is
6 not issued from the managed care organization to the medical
7 provider within 90 days of receiving the funds from the State,
8 the interest penalty shall increase to 5% of any amount
9 unpaid, until final payment is made.

10 (c) Managed care organizations shall review in a timely
11 manner each claim made to it and provide the Department with a
12 quarterly report indicating:

13 (1) the number of claims and dollar amount received by
14 the managed care organization from providers for that
15 quarter;

16 (2) the number of claims and dollar amount paid by the
17 managed care organization to providers for that quarter;

18 (3) the total number of claims and dollar amount of
19 outstanding payments owed from the managed care
20 organization to providers, broken down by provider;

21 (4) the average length of time for that quarter it
22 took the managed care organization to pay a provider claim
23 from when it was first submitted;

24 (5) the average length of time for that quarter it
25 took the managed care organization to pay a provider claim
26 from when the funds were transferred from the State to

1 cover that claim; and

2 (6) the total number and dollar amount of interest
3 penalty payments incurred for that quarter.

4 (d) The Department shall annually review managed care
5 payment times and provide details of delays in the
6 Department's annual report.