

**39-709f. Medical assistance program and managed care organizations; contract; prompt payment.**

(a) Any contract between the Kansas medical assistance program and any managed care organization serving the state of Kansas shall require the processing and full payment of the allowed amount or processing and denial by the managed care organization of all clean claims within 30 days after receipt of the clean claim, and the processing and full payment of the allowed amount or processing and denial by the managed care organization of all claims within 90 days after receipt of the claim. The contract shall also include a late payment provision that requires the managed care organization to pay interest to the provider at the rate of 12% per annum for each month that the managed care organization has neither processed and fully paid the allowed amount nor processed and denied a submitted claim or clean claim after the time limits set forth in this section. The Kansas medical assistance program shall also require managed care organizations to include a provision outlining the provider's rights under this section in the managed care organization's contracts with providers. A provider that has a claim that remains unpaid by a managed care organization after the time limits set forth in this section may bring a direct cause of action against the managed care organization for the interest provided for in this section in addition to the amount of the unpaid claim.

(b) For the purposes of this section, the terms "claim" and "clean claim" shall be assigned the same meanings as provided by 42 C.F.R. § 447.45(b).

(c) The secretary of health and environment shall adopt rules and regulations to carry out the provisions of this section, and amendments thereto.

**History:** L. 2014, ch. 80, § 1; July 1.