

REFERENCE TITLE: insurance; late claim payments; penalty

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1620

Introduced by
Senator McCune Davis; Representative Meza

AN ACT

AMENDING TITLE 20, CHAPTER 20, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-3103; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2923; MAKING AN APPROPRIATION; RELATING TO INSURANCE CLAIM PAYMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section. 1. Title 20, chapter 20, article 1, Arizona Revised Statutes,
3 is amended by adding section 20-3103, to read:

4 20-3103. Timely payment of claims; civil penalty

5 A. NOTWITHSTANDING SECTION 20-220, SUBSECTION A, PARAGRAPH 2, SECTION
6 20-220, SUBSECTION B, SECTION 20-845, SUBSECTION E AND SECTION 20-1065,
7 SUBSECTION E, A HEALTH CARE INSURER WHO:

8 1. VIOLATES THIS ARTICLE IS SUBJECT TO A CIVIL PENALTY AS FOLLOWS:

9 (a) FOR AN UNINTENTIONAL VIOLATION, NOT MORE THAN ONE THOUSAND DOLLARS
10 FOR EACH VIOLATION.

11 (b) FOR AN INTENTIONAL VIOLATION, NOT MORE THAN FIVE THOUSAND DOLLARS
12 FOR EACH VIOLATION.

13 2. FAILS TO COMPLY WITH ANY LAWFUL RULE OR ORDER OF THE DIRECTOR THAT
14 RELATES TO A VIOLATION OF THIS ARTICLE IS SUBJECT TO A CIVIL PENALTY OF NOT
15 MORE THAN FIVE THOUSAND DOLLARS FOR EACH VIOLATION.

16 B. THE HEALTH CARE INSURER SHALL PAY THE CIVIL PENALTY TO THE DIRECTOR
17 WHO SHALL DEPOSIT THE CIVIL PENALTY IN THE PHYSICIAN RECRUITMENT FUND
18 ESTABLISHED PURSUANT TO SECTION 36-2923. THE CIVIL PENALTY IMPOSED PURSUANT
19 TO THIS SECTION IS IN ADDITION TO ANY OTHER CIVIL PENALTY IMPOSED BY STATUTE.

20 Sec. 2. Title 36, chapter 29, article 1, Arizona Revised Statutes, is
21 amended by adding section 36-2923, to read:

22 36-2923. Physician recruitment fund; purpose; exemption

23 A. THE PHYSICIAN RECRUITMENT FUND IS ESTABLISHED CONSISTING OF CIVIL
24 PENALTIES COLLECTED PURSUANT TO SECTION 20-3103, LEGISLATIVE APPROPRIATIONS
25 AND GIFTS, GRANTS AND DONATIONS THAT ARE RECEIVED BY THE ADMINISTRATION FOR
26 THE PURPOSES PROVIDED BY THIS SECTION. THE ADMINISTRATOR SHALL ADMINISTER
27 THE FUND. THE ADMINISTRATOR SHALL USE MONIES IN THE FUND TO PAY FOR THE
28 COSTS ASSOCIATED WITH RECRUITING PHYSICIANS TO PRACTICE IN THIS STATE.

29 B. ON NOTICE FROM THE ADMINISTRATOR, THE STATE TREASURER SHALL INVEST
30 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
31 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

32 C. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.
33 MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
34 TO LAPSING OF APPROPRIATIONS.

35 Sec. 3. Physician recruitment fund; appropriation; exemption

36 A. The sum of \$300,000 is appropriated from the physician recruitment
37 fund established by section 36-2923, Arizona Revised Statutes, to the Arizona
38 health care cost containment system administration in fiscal year 2007-2008
39 for the costs of recruiting physicians to practice in this state.

40 B. The appropriation made in subsection A of this section is exempt
41 from the provisions of section 35-190, Arizona Revised Statutes, relating to
42 lapsing of appropriations.