

Business Dynamics Limited

The Leaders in Spine Reimbursement

Texas Prompt Pay Rules under Senate Bill 418

Presented by Janie Welch, CPC

Did you know that?

PREAUTHORIZATION POLICIES:

- Texas insurance regulation states that if an insurance carrier has issued verification for proposed medical or health care services, it **may not deny or reduce payment** for those services if they are provided on or before the expiration date of the verification, which shall not be less than 30 days. The only exception to this guarantee of payment is if the physician or provider materially misrepresents or substantially fails to perform the services.
- A Health Plan Identification Card will indicate if a Health Plan is fully insured. It **must display** on the front TDI (Texas Department of Insurance) which would mean it is subject to state prompt payment laws.

PAYMENT PENALTIES

- Penalties are calculated on Billed amounts. If you bill at the Contracted fee schedule there is no penalty due. The penalty is very specific to the submission and collections time frames. The calculations is :

50% of the billed amount minus the contracted amount for payment errors within the first 1- 45 days beyond the payment time frames set forth. The calculations changes to 100% of the bill amount minus the contracted rate if the issue is not resolved before in 46-90 days beyond the payment time frames and it again changes to 100% of billed amount plus 18% annual interest on the penalty amount if the issue still remains unresolved beyond 91 days. The insurance carriers are to apply these penalties automatically.

- It can not be written into your contract by an Insurance Carrier that you will not pursue prompt payment penalty payments for delays on claims. Late paid claims can not be waived through waiver of agreement with a provider.

200 Old Country Road, Suite 470A, Mineola, NY 11501

P: 516-294-4118 Fax: 516-294-9268

www.businessdynamicslimited.com

E-Mail: contact@businessdynamicslimited.com