## Submission and Prompt Pay of Clean Claims

Your determination on which rules apply will be based on provider contract status: Has the preferred provider's contract with the complained-of carrier been renewed on or after 8-16-03? If so, the column headed SB 418 and Related Rules will apply. If not, the column headed HB 610 and Related Rules will apply.

For any conflicts between the following reference materials and the rules, the rules prevail.

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Applicability:	Applies to HMOs and to preferred	Applies to HMOs and to	Applies to HMOs and to
Who has to	provider benefit plans issued by an	preferred provider benefit plans	preferred provider benefit plans
comply?	insurer. Does not apply to the	issued by an insurer. Does not	issued by an insurer. Does not
	following: Self-funded ERISA plans,	apply to the following: Self-	apply to the following: Self-
	workers compensation coverage,	funded ERISA plans, workers	funded ERISA plans, workers
	government, school and church health	compensation coverage,	compensation coverage,
	plans, out-of-state insureds, Medicaid,	government, school and church	government, school and church
	Medicare + Choice HMOs, Medicare +	health plans, out-of-state	health plans, out-of-state
	Cost plans, Medicare Supplement	insureds, Medicaid, Medicare +	insureds, Medicaid, Medicare +
	plans, Health Select and Health	Choice HMOs, Medicare + Cost	Choice HMOs, Medicare + Cost
	Select Plus plans for state employees,	plans, Medicare Supplement	plans, Medicare Supplement
	federal employee plans, self-funded	plans, Health Select and Health	plans, Health Select and Health
	plans covering UT and A&M System	Select Plus plans for state	Select Plus plans for state
	employees, Tricare Standard	employees, federal employee	employees, federal employee
	(CHAMPUS), and Texas Association	plans, self-funded plans covering	plans, self-funded plans covering
	of School Boards coverages.	UT and A&M System	UT and A&M System
		employees, Tricare Standard	employees, Tricare Standard
		(CHAMPUS), and Texas	(CHAMPUS), and Texas
		Association of School Boards	Association of School Boards
		coverages, and the Children's	coverages, and the Children's
		Health Insurance Program	Health Insurance Program
		(CHIP)	(CHIP)

Deadline, Duplicateafter provision of service. A physician or provider who fails to timely file forfeits right to payment unless prevented from filing by a catastrophic event (Refer to §21.2819, Catastrophic Event) - Applies to both preferred and non-preferred providers. For hospitals, 95 days starts on discharge date. Claims timely filed with another carrier satisfies this claim filing requirement and addresses issues of misdirected claims as well as claims filed late to a secondary carrier because a provider was awaiting processing by primary carrier. A physician or provider may not submit a duplicate claim prior to the 46 <sup>th</sup> day, 31 <sup>st</sup> day if filed electronically, or the 22 <sup>nd</sup> day if for prescription drugs after theafter provision of service. A physician or provider who fails to timely file forfeits right to payment unless prevented from filing by a catastrophic event (Refer to §21.2819, Catastrophic event) - Applies to both preferred and non-preferred providers. For hospitals, 95 days starts on discharge date. Claims timely filed with another carrier satisfies this claim filing requirement and addresses issues of misdirected claims as well as claims filed late to a secondary carrier. A physician or provider may not submit a duplicate claim prior to the 46 <sup>th</sup> day, 31 <sup>st</sup> day if filed electronically, or the 22 <sup>nd</sup> day if for prescription drugs after the	Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
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for prescription drugs after the for prescription drugs after the				
i gale the original claim is i gale the original claim is			date the original claim is	date the original claim is
Ū Ū				presumed to be received. If a
			•	duplicate is filed in contravention
				of this requirement, carrier is not
				subject to penalties with respect
to the duplicate claim. to the duplicate claim.				· · ·
S 24 2906 S 24 2906			S 24 2906	5 24 2906
§21.2806 §21.2806			321.2000	921.2000

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Proof of receipt	Receipt of claims:	Receipt of claims & written	Receipt of claims & written
	The 45 day claim processing period	communication:	communication:
	begins on date of claim receipt. To	Communications and claims may	Communications and claims may
	create a rebuttable presumption of the	be sent by U.S. mail first class or	be sent by U.S. mail first class or
	receipt date providers may opt to use	return receipt requested or by	return receipt requested or by
	the claims mail log. A preferred	overnight delivery, electronically,	overnight delivery, electronically,
	provider must maintain a log that	fax transmission or hand	fax transmission or hand
	identifies each claim in a submission,	delivery. Sender must maintain	delivery. Sender must maintain
	include a copy of the log with the	proof of any electronically	proof of any electronically
	relevant submitted claim(s),	submitted communication, fax	submitted communication, fax
	fax or electronically send a copy of the	transmission, or copy of the	transmission, or copy of the
	log to the payor on the date of claim	receipt of hand delivery.	receipt of hand delivery.
	submission and maintain a copy of the	Communications and claims sent	Communications and claims sent
	fax acknowledgment or proof of	by first class mail are presumed	by first class mail are presumed
	electronic submission. If process is	received on the 5 <sup>th</sup> calendar	received on the 5 <sup>th</sup> calendar
	followed, claims sent by U.S. mail are	day. Those sent via overnight	day. Those sent via overnight
	presumed received on the <b>3</b> <sup>rd</sup>	delivery or U.S. mail return	delivery or U.S. mail return
	business day following mailing,	receipt requested are received	receipt requested are received
	claims sent by U.S. mail, return	on the delivery receipt date as	on the delivery receipt date as
	receipt requested or by overnight	are communications and claims	are communications and claims
	delivery are presumed received on	that are hand delivered. A faxed	that are hand delivered. A faxed
	date of signed receipt, claims sent by	claim is presumed received on	claim is presumed received on
	fax (if allowed) are presumed received	the date of the transmission	the date of the transmission
	on the fax date if the dated proof of	acknowledgement but a fax	acknowledgement but a fax
	transmission form is retained,	transmitted after a recipient's	transmitted after a recipient's
	electronically submitted claims are	normal business hours is	normal business hours is
	presumed received on date of	presumed received on the next	presumed received on the next
	electronic confirmation of receipt by	business day. An electronically-	business day. An electronically-
	the carrier or its clearinghouse. If no	submitted <u>communication</u> is	submitted <u>communication</u> is
	confirmation is given, the provider's	presumed received on the	presumed received on the
	clearinghouse may confirm so long as	submission date, while an	submission date, while an
	claim contained the correct payor ID.	electronically-submitted <u>claim</u> is	electronically-submitted <u>claim</u> is
	Hand-delivered claims are received	presumed received on the date	presumed received on the date
	on the delivery date.	of electronic confirmation of	of electronic confirmation of
		receipt by the carrier or its	receipt by the carrier or its
		clearinghouse.	clearinghouse.

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Proof of receipt	Receipt of other communication: Not	If no confirmation is given within	If no confirmation is given within
(continued from	Addressed	24 hours, the preferred	24 hours, the preferred
previous page)		provider's clearinghouse shall	provider's clearinghouse shall
		provide the confirmation if it can	provide the confirmation if it can
		show that the claim contained	show that the claim contained
		the correct payor identification.	the correct payor identification.
		To provide proof of submission	To provide proof of submission
		and establish date of receipt the	and establish date of receipt the
		sender may chose to maintain a	sender may chose to maintain a
		mail log. If used, the sender	mail log. If used, the sender
		shall fax or electronically	shall fax or electronically
		transmit a copy of the mail log at	transmit a copy of the mail log at
		the time of submission and	the time of submission and
		include a copy with the relevant	include a copy with the relevant
		communication (claim). The log	communication (claim). The log
		shall identify each separate	shall identify each separate
		claim, request for information or	claim, request for information or
		response included in a batch	response included in a batch
		communication and shall include	communication and shall include
		the following information:	the following information:
		claimant's name, address,	claimant's name, address,
		telephone number, and federal tax ID number; name of	telephone number, and federal tax ID number; name of
		addressee; carrier name;	addressee; carrier name;
		designated address; date of	designated address; date of
		mailing or hand delivery;	mailing or hand delivery;
		subscriber name and ID number;	subscriber name and ID number;
		patient name; dates of service or	patient name; dates of service or
		occurrence; delivery method and	occurrence; delivery method and
		claim number, if applicable.	claim number, if applicable.
		Carriers and providers can agree	Carriers and providers can agree
		to any other method of	to any other method of
		establishing a presumption of	establishing a presumption of
		claims receipt.	claims receipt.
		§21.2816	§21.2816
		321.2010	321.2010

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Effect of filing a	Upon receipt of clean claim at	Upon receipt of clean claim at	Upon receipt of clean claim at
clean claim	designated address carrier must	designated address and within	designated address and within
	within the statutory claim payment	the statutory claim payment	the statutory claim payment
	period: (1) pay the total amount of the	period the carrier must: (1) pay	period the carrier must: (1) pay
	claim in accordance with the contract,	the total amount of the claim in	the total amount of the claim in
	(2) deny the entire claim and notify the	accordance with the contract, (2)	accordance with the contract, (2)
	provider why the claim will not be	deny the entire claim and notify	deny the entire claim and notify
	paid, (3) audit the entire claim, pay	the provider why the claim will	the provider why the claim will
	85% of contracted rate and notify the	not be paid, (3) audit the entire	not be paid, (3) audit the entire
	provider that claim is being audited,	claim, pay 100% of contracted	claim, pay 100% of contracted
	(4) pay a portion of the claim and	rate and notify the provider that	rate and notify the provider that
	deny or audit the remainder, paying	claim is being audited, (4) pay a	claim is being audited, (4) pay a
	85% of the audited portion. For	portion of the claim and deny or	portion of the claim and deny or
	electronically-submitted and	audit the remainder, paying	audit the remainder, paying
	electronically-paid prescription claims,	100% of the audited portion. For	100% of the audited portion. For
	carrier must pay within 21 calendar	electronically-submitted	electronically-submitted
	days after clean claim is adjudicated.	prescription claims, carrier must	prescription claims, carrier must
	§21.2807	pay within 21 calendar days after clean claim is adjudicated.	pay within 21 calendar days after clean claim is adjudicated.
		§21.2807	§21.2807
Deficient	Must notify provider of deficient claim	Must notify preferred provider of	Must notify preferred provider of
Claims	within 45 days of receipt and within 21	deficient claim within 45 days of	deficient claim within 45 days of
Claime	days of receipt of deficient pharmacy	receipt of claim, within 30 days	receipt of claim, within 30 days
	claim.	of receipt of electronic claim and	of receipt of electronic claim and
		within 21 days of receipt of	within 21 days of receipt of
		deficient pharmacy claim.	deficient pharmacy claim.
	§21.2808	§21.2808	§21.2808
Statutory Claim	45 days for payment, denial, or audit	45 days for payment, denial or	45 days for payment, denial or
Payment	of non-pharmacy clean claim	audit of non-electronic, non-	audit of non-electronic, non-
Period	21 days for payment of pharmacy	pharmacy clean claims; 30 days	pharmacy clean claims; 30 days
	claims.	for payment, denial or audit of	for payment, denial or audit of
		electronic, non-pharmacy clean	electronic, non-pharmacy clean
		claims; 21 days from affirmative	claims; 21 days from affirmative
		adjudication for payment of	adjudication for payment of
	§21.2802(25)	pharmacy claims.	pharmacy claims.
		§21.2802(28)	§21.2802(28)

Topic HB 610 and Related Rules SE	B 418 and Emergency Rules	SB 418 and Final Rules
Clean Claim, Defined A clean claim consists of: data elements on HCFA 1500 and UB92 claim forms that are required or conditionally required by TDI rules. It must also include properly-noticed additional data elements and attachments. Claims to secondary carriers must disclose amounts paid by the primary carrier. Data elements must be complete, legible and accurate. Additional data elements or information does not render the claim deficient. Ele wire   §21.2803 *N for	<b>B 418 and Emergency Rules</b> A clean claim consists <u>only</u> of: ata elements on CMS 1500 and JB 92* claim forms that are equired or conditionally required by TDI rules for non-electronic laims. Claims to secondary arriers must disclose amounts aid by the primary carrier. Electronic claims must comply with all federal laws applicable to electronic claims, mplementation guides, ompanion guides, and trading artner agreements. Data elements must be complete, egible and accurate. Additional lata elements or information loes not render the claim efficient. Not all data elements on these orms are required for all roviders. Refer to rule language or these exceptions.	SB 418 and Final Rules A clean claim consists only of: data elements on CMS 1500 and UB 92* claim forms that are required or conditionally required by TDI rules for non-electronic claims. Claims to secondary carriers must disclose amounts paid by the primary carrier. Electronic claims must comply with all federal laws applicable to electronic claims, implementation guides, companion guides, and trading partner agreements. Data elements must be complete, legible and accurate. Additional data elements or information does not render the claim deficient. *Not all data elements on these forms are required for all providers. Refer to rule language for these exceptions. §21.2803

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Coordination	For policies that contain a	For policies that contain a	For policies that contain a
or non-	coordination or nonduplication of	coordination or nonduplication of	coordination or nonduplication of
duplication of	benefits provision or a variable	benefits provision or a variable	benefits provision or a variable
Benefits	deductible provision, the amount paid	deductible provision, the amount	deductible provision, the amount
	by the primary carrier is a clean claim	paid by the primary carrier is a	paid by the primary carrier is a
	element for a claim submitted to a	clean claim element for a claim	clean claim element for a claim
	secondary carrier.	submitted to a secondary carrier.	submitted to a secondary carrier.
		Carriers can require that	Carriers can require that
		providers maintain and furnish	providers maintain and furnish
		updated information about a	updated information about a
		patient's coverage under other	patient's coverage under other
		health benefit plans. (SB418)	health benefit plans. (SB418)
		Carriers cannot otherwise	Carriers cannot otherwise
		require a preferred provider to	require a preferred provider to
		investigate COB of other health	investigate COB of other health
		benefit plan coverage. When	benefit plan coverage. When
		filing an electronic claim	filing an electronic claim
		requiring COB the secondary	requiring COB the secondary
		payor shall rely on the primary	payor shall rely on the primary
		payor's information submitted on the claim. Primary payors may	payor's information submitted on the claim. Primary payors may
	§21.2803(e)	submit information electronically	submit information electronically
	gz1.2003(e)	to secondary payors using the	to secondary payors using the
		ASC X12N 837 format and in	ASC X12N 837 format and in
		compliance with §21.2803(e).	compliance with §21.2803(e).
		§21.2803(c)& (e)	§21.2803(c)& (e)

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Additional	No provision	Carrier is allowed one request to	Carrier is allowed one request to
information		a treating preferred provider for	a treating preferred provider for
requested from		additional information within 30	additional information within 30
treating		days of clean claims receipt.	days of clean claims receipt.
provider		Request must be written, specific	Request must be written, specific
		to claim or related episode of	to claim or related episode of
		care, specifically describe the	care, specifically describe the
		clinical and other information	clinical and other information
		requested, be relevant and	requested, be relevant and
		necessary for claim resolution,	necessary for claim resolution,
		and be for information contained	and be for information contained
		or in the process of being	or in the process of being
		incorporated in to patient's	incorporated in to patient's
		medical or billing record	medical or billing record
		maintained by the preferred	maintained by the preferred
		provider. Request for additional	provider. Request for additional
		information stops the claim clock	information stops the claim clock
		until the carrier receives (1) the	until the carrier receives (1) the
		requested information or (2) the	requested information or (2) the
		provider's response that	provider's response that
		information is not in provider's	information is not in provider's
		medical/billing record. Upon	medical/billing record. Upon
		receiving response, carrier must	receiving response, carrier must
		act on the claim on or before the	act on the claim on or before the
		later of the 15 <sup>th</sup> day after	later of the 15 <sup>th</sup> day after
		receiving response or the latest	receiving response or the latest
		date for adjudicating claim under	date for adjudicating claim under
		§21.2807 (Effect of filing clean	§21.2807 (Effect of filing clean
		claim).	claim).
		Continued on the next page	Continued on the next page

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Additional information requested from treating provider (continued from previous page)	No provision	Either response must be accompanied by (1) a copy of the carrier's request for additional information or (2) the patient's name and ID number, the carrier's claim number, date of service and name of treating preferred provider. Either response is subject to §21.2816 (Date of Receipt). If the request is submitted per federal electronic transaction requirements, the preferred provider must respond in accordance with the requirements to resume the payment period.	Either response must be accompanied by (1) a copy of the carrier's request for additional information or (2) the patient's name and ID number, the carrier's claim number, date of service and name of treating preferred provider. Either response is subject to §21.2816 (Date of Receipt). If the request is submitted per federal electronic transaction requirements, the preferred provider must respond in accordance with the requirements to resume the payment period.
Additional information requested from sources other than treating provider	No provision	<b>§21.2804</b> Carrier can request information from a source other than the treating provider but must disclose the source's name to the treating provider. This request does not stop the claim clock. A response under this section is subject to §21.2816 (Date of Receipt.) <b>§21.2805</b>	<b>§21.2804</b> Carrier can request information from a source other than the treating provider but must disclose the source's name to the treating provider. This request does not stop the claim clock. A response under this section is subject to §21.2816 (Date of Receipt.) <b>§21.2805</b>

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Audit	If claims determination cannot be	If claims determination cannot be	If claims determination cannot be
Procedures	made within 45 days after clean claim	made within the applicable	made within the applicable
	receipt, carrier must pay 85% of claim	statutory claims payment period,	statutory claims payment period,
	at contracted rate and notify provider	carrier must pay 100% of	carrier must pay 100% of
	that claim is being audited. Upon completion, if additional payment is	contracted rate (less copayments, deductibles, etc.)	contracted rate (less copayments, deductibles, etc.)
	due, the carrier must pay within 30	before expiration of applicable	before expiration of applicable
	days after completing the audit.	payment period and must notify	payment period and must notify
		provider on the EOB that claim is	provider on the EOB that claim is
	§21.2809	being audited. Carrier can	being audited. Carrier can
		request additional information	request additional information
		and continue investigation.	and continue investigation.
		§21.2809	§21.2809
Audit Period	Carrier can continue investigation for	Carrier must complete audit in	Carrier must complete audit in
	180 days after claim is received. If	180 days and give written notice	180 days and give written notice
	still cannot adjudicate claim, carrier	of audit results and list specific	of audit results and list specific
	must pay remaining 15% but can	claims paid and not paid as well	claims paid and not paid as well
	continue to investigate claim and obtain refund if it is determined that	as a list of specific claims and amounts for which refund is due.	as a list of specific claims and amounts for which refund is due.
	the claim was not payable.	Carrier must give basis and	Carrier must give basis and
	the claim was not payable.	specific reasons for refund	specific reasons for refund
	§21.2809	request. Carrier is entitled to	request. Carrier is entitled to
		complete refund if preferred	complete refund if preferred
		provider fails to timely respond to	provider fails to timely respond to
		a request for additional	a request for additional
		information.	information.
		§21.2809	§21.2809

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Time frames for Refunds	HB 610 and Related Rules If audit reveals claim is not payable, provider must refund payment within 30 days after later of (1) notification of audit results or (2) expiration of patient/subscriber appeal rights if appeal is filed before expiration of the 30 day refund period. Chargebacks are allowed but audit notification must state that carrier will charge back unless provider contacts carrier to make arrangements for alternative reimbursement. §21.2809	SB 418 and Emergency Rules If audit reveals that a refund is due from the preferred provider, the carrier must furnish the preferred provider with a refund request and an appeal opportunity pursuant to §21.2818 (Overpayment of Claims). The refund is due in 30 days after the later of the date that (1) the physician or provider receives notice of the audit results; or (2) any appeal rights of the provider are exhausted. §21.2809	SB 418 and Final Rules If audit reveals that a refund is due from the preferred provider, the carrier must furnish the preferred provider with a refund request and an appeal opportunity pursuant to §21.2818 (Overpayment of Claims). The refund is due in 30 days after the later of the date that (1) the physician or provider receives notice of the audit results; or (2) any appeal rights of the provider are exhausted. §21.2809

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Overpayment	Refunds of audit payments are	Carriers may recover refunds	Carriers may recover refunds
of claims	addressed in §21.2809 (Time Frames	due to overpayments or audit	due to overpayments or audit
	for Refunds). HB610 did not address	payments but must give notice	payments but must give notice
	other types of refunds.	by the 180 <sup>th</sup> day after	by the 180 <sup>th</sup> day after
		overpayment was made or give	overpayment was made or give
		earlier notice of audit results as	earlier notice of audit results as
		required by §21.2809. Notice	required by §21.2809. Notice
		must be in writing, for specific	must be in writing, for specific
		amounts, give notice of appeal	amounts, give notice of appeal
		rights, and describe methods by	rights, and describe methods by
		which carrier intends to recover	which carrier intends to recover
		the refund. A provider has 45	the refund. A provider has 45
		days to file a written dispute with	days to file a written dispute with
		the carrier's refund request	the carrier's refund request
		which will trigger the appeal	which will trigger the appeal
		process. Carrier cannot recover	process. Carrier cannot recover
		overpayments until later of (1) 45	overpayments until later of (1) 45
		days after notification (30 <sup>th</sup> day	days after notification (30 <sup>th</sup> day
		after notification for audits) or (2)	after notification for audits) or (2)
		the date provider appeal rights	the date provider appeal rights
		have been exhausted, if	have been exhausted, if
		physician has not made prior	physician has not made prior
		arrangements for repayment.	arrangements for repayment.
		Note: If a carrier is a secondary	Note: If a carrier is a secondary
		payor but inadvertently pays as	payor but inadvertently pays as
		primary, it must seek a refund	primary, it must seek a refund
		from HMO or insurer who is the	from HMO or insurer who is the
		primary carrier. However, if the	primary carrier. However, if the
		correct primary carrier is a self-	correct primary carrier is a self-
		funded ERISA plan or other non-	funded ERISA plan or other non-
		insured plan, the carrier may	insured plan, the carrier may
		seek a refund of overpayment	seek a refund of overpayment
		from the provider who received	from the provider who received
		the incorrect payment.	the incorrect payment.

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Overpayment		The provisions of §21.2818 do	The provisions of §21.2818 do
of claims		not affect a carrier's ability to	not affect a carrier's ability to
(continued from		recover overpayment in case of	recover overpayment in case of
previous page)		a provider's fraud or material	a provider's fraud or material
_		misrepresentation.	misrepresentation.
		§21.2818	§21.2818
Claims	Carrier must disclose mailing and	Carrier must disclose mailing	Carrier must disclose mailing
procedures	physical address and phone number	and physical address and phone	and physical address and phone
	where claims are to be sent for	number where claims are to be	number where claims are to be
	processing. Also applies if claims	sent for processing. Also applies	sent for processing. Also applies
	processing is delegated. Must give 60	if claims processing is delegated.	if claims processing is delegated.
	days advance notice in writing to	Must give 60 days advance	Must give 60 days advance
	preferred providers of any changes to	notice in writing to preferred	notice in writing to preferred
	claim processors or claim filing	providers of any changes to	providers of any changes to
	address.	claim processors or claim filing	claim processors or claim filing
	§21.2811	address. §21.2811	address. <b>§21.2811</b>
Denial	After change of address or change in	After change of address or	After change of address or
prohibited for	claim processors, carrier cannot	change in claim processors,	change in claim processors,
change of	premise denial on failure to timely file	carrier cannot premise denial on	carrier cannot premise denial on
address	unless carrier has given the notice as	failure to timely file unless carrier	failure to timely file unless carrier
	required by §21.2811.	has given the notice as required	has given the notice as required
	§21.2812	by §21.2811.	by §21.2811.
		§21.2812	§21.2812
Requirements	A carrier's responsibility to comply	A carrier's responsibility to	A carrier's responsibility to
applicable to	with all requirements cannot be limited	comply with all requirements is	comply with all requirements is
other	or diminished by any contract or	not limited or diminished by any	not limited or diminished by any
contracting	delegation agreement for processing	contract or delegation agreement	contract or delegation agreement
entities	of claims or for issuing	for processing of claims or for	for processing of claims or for
	preauthorizations.	issuing verifications or	issuing verifications or
	§21.2813	preauthorizations.	preauthorizations.
		§21.2813	§21.2813
		321.2013	821.2015
L	L	l	l

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Penalties	Carriers who fail to correctly pay or	Late payment penalties:	Late payment penalties:
	audit claim within the statutory claim	(1) If claim is paid on or before	(1) If claim is paid on or before
Applicable	payment period are liable for 100% of	45 <sup>th</sup> day after <b>applicable</b>	45 <sup>th</sup> day after <b>applicable</b>
Statutory	billed charges (as defined) or the	statutory claim payment	statutory claim payment
Claim	contracted penalty rate. (Amounts	<i>period</i> (as defined) carrier must	<i>period</i> (as defined) carrier must
Payment	already paid and amounts for non-	pay: contracted rate plus the	pay: contracted rate plus the
Period is:	covered services may be deducted	lesser of 50% of difference	lesser of 50% of difference
	from the penalty.) Carrier may also	between contracted rate and	between contracted rate and
21 days for	be subject to administrative penalties	billed charges or \$100,000.	billed charges or \$100,000.
pharmacy	of up to \$1,000 per day for each day a		
claim	claim remains unpaid.	(2) If claim is paid on or after the	(2) If claim is paid on or after the
	§21.2815	46 <sup>th</sup> day but before 91 <sup>st</sup> day after	46 <sup>th</sup> day but before 91 <sup>st</sup> day after
30 days for		applicable statutory claims	applicable statutory claims
electronic		payment period, carrier must	<i>payment period</i> , carrier must
claim		pay: the contracted rate plus the	pay: the contracted rate plus the
AF dave far		lesser of 100% of the difference	lesser of 100% of the difference
45 days for		between contracted and billed	between contracted and billed
paper claim		charge or \$200,000.	charge or \$200,000.
		(3) If claim is paid on or after the	(3) If claim is paid on or after the
		91 <sup>st</sup> day after the <i>applicable</i>	91 <sup>st</sup> day after the <i>applicable</i>
		statutory claim payment	statutory claim payment
		<i>period</i> , carrier must pay the	<i>period</i> , carrier must pay the
		contracted rate plus the penalty	contracted rate plus the penalty
		specified in paragraph 2 plus	specified in paragraph 2 plus
		18% interest on the penalty	18% interest on the penalty
		amount.	amount.
		Underpayment penalties:	Underpayment penalties:
		(1) If balance of claim is paid on	(1) If balance of claim is paid on
		or before the 45 <sup>th</sup> day after	or before the 45 <sup>th</sup> day after
		applicable statutory claim	applicable statutory claim
		payment period, carrier must	payment period, carrier must
		pay contracted amount owed	pay contracted amount owed
		plus the lesser of 50% of the	plus the lesser of 50% of the
		underpaid amount or \$100,000.	underpaid amount or \$100,000.

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Penalties		(2) If balance of claim is paid on	(2) If balance of claim is paid on
(continued from		or after the 46 <sup>th</sup> day but before	or after the 46 <sup>th</sup> day but before
previous page)		the 91 <sup>st</sup> day after the <b>applicable</b>	the 91 <sup>st</sup> day after the <b>applicable</b>
		statutory claim payment	statutory claim payment
		<i>period</i> , carrier must pay	<i>period</i> , carrier must pay
		contracted amount owed plus the lesser of 100% of the	contracted amount owed plus the lesser of 100% of the
		underpaid amount or \$200,000.	underpaid amount or \$200,000.
		(3) If balance of claim is paid on	(3) If balance of claim is paid on
		or after the 91 <sup>st</sup> day after the	or after the 91 <sup>st</sup> day after the
		applicable statutory claim	applicable statutory claim
		payment period, carrier must	payment period, carrier must
		pay the contracted rate plus the	pay the contracted rate plus the
		penalty specified in paragraph 2	penalty specified in paragraph 2
		plus 18% annual interest on the	plus 18% annual interest on the
		penalty amount.	penalty amount.
		The <u>Underpaid Amount</u> is calculated on the ratio of the amount underpaid on the contracted rate to the contracted rate as applied to the billed	The <u>Underpaid Amount</u> is calculated on the ratio of the amount underpaid on the contracted rate to the contracted rate as applied to the billed
		charges. See the rule for an	charges. See the rule for an
		example of this calculation.	example of this calculation.
		A carrier is not liable for a	A carrier is not liable for a
		penalty under this section if failure to timely pay was due to a certified catastrophic event. When a catastrophic event precludes the timely payment of a claim, the statutory payment deadline is extended only for the	penalty under this section if failure to timely pay was due to a certified catastrophic event. When a catastrophic event precludes the timely payment of a claim, the statutory payment deadline is extended only for the
		amount of time a certified catastrophe interrupted business operations.	amount of time a certified catastrophe interrupted business operations.

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Penalties		A carrier is not liable for a	A carrier is not liable for a
(continued from		penalty under this section if the	penalty under this section if the
previous page)		claim was paid per §21.2807 but	claim was paid per §21.2807 but
		for less than the contracted rate	for less than the contracted rate
		and (1) the provider notifies the	and (1) the provider notifies the
		carrier of the underpayment	carrier of the underpayment
		more than 180 days after the	more than 180 days after the
		payment receipt date and (2) the	payment receipt date and (2) the
		carrier pays the balance within	carrier pays the balance within
		45 days after receiving notice of	45 days after receiving notice of
		the underpayment.	the underpayment.
		The EOB shall indicate the	The EOB shall indicate the
		amount of the contracted rates	amount of the contracted rate
		paid as compared to the amount	paid, the amount of billed
		submitted and amount paid as a	charges, and the amount paid as
		penalty.	a penalty.
		§21.2815	§21.2815
Administrative	See statutory language.	Carrier that fails to comply with	Carrier that fails to comply with
Penalties		21.2807 for more than 2% of	21.2807 for more than 2% of
		clean claims is subject to	clean claims is subject to
		administrative penalties set out	administrative penalties set out
		in §843.342(k) or Art. 3.70-3C,	in §843.342(k) or Art. 3.70-3C,
		Sec. 3I(k).	Sec. 3I(k).
		Provides procedure and method	Provides procedure and method
		for determining compliance	for determining compliance
		percentage.	percentage.
		§21.2822	§21.2822
Date of claim	Claim considered paid on date of: U.	Claim considered paid on date	Claim considered paid on date
payment	S. Postmark, electronic transmission,	of: U.S. Postmark, electronic	of: U.S. Postmark, electronic
	delivery of payment to commercial carrier such as UPS of Federal	transmission, delivery of	transmission, delivery of
		payment to commercial carrier such as UPS of Federal	payment to commercial carrier such as UPS of Federal
	Express, or receipt by payee if paid by any other method.		
		Express, or receipt by payee if paid by any other method.	Express, or receipt by payee if
	§21.2810	§21.2810	paid by any other method. §21.2810

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
I. D. Cards	No provision	I D card or other similar document must include the name of enrollee or insured, first date of eligibility under plan or toll free number for obtaining this information, and a symbol (star with "TDI" in the middle) displayed on the front. The effective date of this provision is January 1, 2004, for plans issued or renewed on or after that date. §21.2820	Emergency Rules still apply until I.D Card rules are adopted.
Catastrophic event	No provision	If carrier or physician or provider is unable to meet regulatory deadlines due to a catastrophic event (see definition at §21.2802(4)), entity must notify TDI within 5 days of the event. Within 10 days after return to normal business operations, entity must provide certification in form of a sworn affidavit, identify nature of event, and the length of interruption of claims submission or processing. A valid certification under this section tolls the deadlines stated in §21.2804, §21.2806, §21.2808, §21.2809 and §21.2815 for the number of days identified in the certification. §21.2819	If carrier or physician or provider is unable to meet regulatory deadlines due to a catastrophic event (see definition at §21.2802(4)), entity must notify TDI within 5 days of the event. Within 10 days after return to normal business operations, entity must provide certification in form of a sworn affidavit, identify nature of event, and the length of interruption of claims submission or processing. A valid certification under this section tolls the deadlines stated in §21.2804, §21.2806, §21.2808, §21.2809 and §21.2815 for the number of days identified in the certification. <b>§21.2819</b>

Торіс	HB 610 and Related Rules	SB 418 and Emergency Rules	SB 418 and Final Rules
Terms of Contracts	Contracts cannot contain provisions that extend stated time frames or waive a physician or provider's right to recover attorney's fees. §21.2817	Unless otherwise set forth in rules, contracts cannot contain provisions that extend stated time frames or that waive a provider's right to recover attorney's fees and court costs. §21.2817	Unless otherwise set forth in rules, contracts cannot contain provisions that extend stated time frames or that waive a provider's right to recover attorney's fees and court costs. §21.2817
Reporting requirements	No provision	Sets forth requirements for reporting to TDI. Refer to rule for details. §21.2821	Sets forth requirements for reporting to TDI. Refer to rule for details. §21.2821
Applicability to Certain Non- Contracting Physicians and Providers	No provision	Provisions relating to Verification and Effect of filing a Clean Claim apply to a physician or provider who furnishes to an HMO or PPO enrollee or insured (1) emergency care or its attendant episode of care as required by state or federal law; or (2) care at the request of a carrier, physician or provider because services are not reasonably available from a network provider.	Provisions relating to Verification and Effect of filing a Clean Claim apply to a physician or provider who furnishes to an HMO or PPO enrollee or insured (1) emergency care or its attendant episode of care as required by state or federal law; or (2) care at the request of a carrier, physician or provider because services are not reasonably available from a network provider.
		§21.2823	§21.2823