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AMA and MAG Seek Showdown with Health Insurers over Georgia's New Prompt-Pay Law

ATLANTA - October 12, 2012 - The [American Medical Association](#) (AMA) and the [Medical Association of Georgia](#) (MAG) took initial steps today to block the health insurance industry's attempt to rollback Georgia's strong protections against health insurers' unfair business practices.

In a [joint motion](#) filed today in a Georgia federal court, AMA and MAG asked to intervene against America's Health Insurance Plans (AHIP) and its legal challenge to Georgia's [Insurance Delivery Enhancement Act of 2011](#), which requires health insurance companies that provide third-party administrative services to pay medical bills in a timely manner.

"This case has national implications for resolving the regulatory void in which health insurers are unaccountable for chronically late payments when they serve as administrators for self-insured employers," said AMA President Jeremy A. Lazarus, M.D. "Georgia has effectively closed that regulatory loophole, which helps physicians maintain a sustainable practice environment."

"The fundamental fairness mandated by Georgia's statute allows physicians to redirect their limited resources from battling to get the payments they've earned to caring for patients," said MAG President Sandra Reed, M.D. "The AMA and MAG will not allow the insurance industry to undermine the state's prompt-payment law and compromise on-time payments for the medical care that is provided to Georgia's workers and their families who are covered by an employer-funded health plan."

Most office-based physicians work in small medical practices with bills to pay at the end of the month. The attempt to weaken Georgia's prompt-payment law comes as the state's small physician practices struggle with the high costs of technology requirements, excessive insurance red tape and a broken medical liability system.

"Holding health insurers accountable for on-time payment gives medical practices greater budget certainty and helps Georgia physicians keep their doors open and pay the salaries and benefits of more than 90,000 office employees," said Dr. Reed. "The state's prompt-payment law gives every Georgian additional peace of mind that they'll have access to the physicians they need."

"Georgia's prompt-payment law is one of the most effective in the country, and the AMA and MAG are best positioned to defend the statute on behalf of physicians," said Dr. Lazarus. "Continuing to provide our patients with the finest, most up-to-date care should not be jeopardized because insurance companies are delinquent in paying what they owe."

[The Litigation Center of the AMA and State Medical Societies](http://www.ama-assn.org/ama/pub/news/news/2012-10-12-ama-mag-prompt-pay-law.page), a legal action coalition consisting of the AMA and medical societies from each state plus the District of Columbia, is supporting the motion to intervene as defendants in the AHIP lawsuit. Please visit the AMA website to view documents filed today with the court: <http://www.ama-assn.org/ama/pub/news/news/2012-10-12-ama-mag-prompt-pay-law.page>

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About the American Medical Association (AMA)

The American Medical Association helps doctors help patients by uniting physicians nationwide to work on the most important professional, public health and health policy issues. The nation's largest physician organization plays a leading role in shaping the future of medicine. For more information on the AMA, please visit www.ama-assn.org.

About the Medical Association of Georgia (MAG)

With more than 7,000 members, MAG is the leading voice for the medical profession in Georgia – which includes every specialty in every practice setting. MAG membership has increased by more than 20 percent since 2010. Go to www.mag.org for additional information.