Prompt Pay (H.B. 167)

Physicians, APRNs, Dentists, Hospitals, Pharmacists, Optometrists, Psychologists, Chiropractors, Clinical Social Workers, and Physical Therapists are businesses that have the right to be paid in a timely manner for services rendered.

What Does the Legislation Do?

This bill expands Georgia’s Prompt Pay Statute from traditional insurers to include Third Party Administrators (TPAs). Currently, a traditional insurer has fifteen working days to pay a claim or give written notice of why the claim will not be paid. House Bill 167 would give traditional insurers and TPAs:

- 30 calendar days to pay a paper claim or give notice of why the claim will not be paid.
- 15 working days to pay an electronic claim or give notice of why the claim will not be paid.

Traditional insurers are roughly only 35 percent of the insurance market. The majority of the market includes third party administrators of self-funded plans. In its simplest terms a TPA does everything a traditional insurance company does, with the exception of funding the plan or incurring the risk. All major insurance companies offer full health insurance and third party administration. United Healthcare, BCBS, Aetna, Coventry, and Humana fall within this category. Presently, there is no deadline for a TPA to pay a health care provider or notify the health care provider why the claim will not be paid.

Do the State Health Benefit Plan and the CMOs have to comply with Georgia’s Prompt Payment Law?

Yes. In the contract with the Department of Community Health, the State Health Benefit Plan and the CMOs agree to comply with Georgia’s Prompt Pay Statute pursuant to O.C.G.A. 33-24-59.5.

What are the opponents to HB 167 saying about the bill?

Myth: Prompt Pay laws are preempted by Federal Law.

Myth: Georgia’s Prompt Pay law is different from every other standard in the nation and requires businesses to change entire operations.

Fact: The following states have the same or similar standards to Georgia: Hawaii, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Tennessee and Wisconsin. In addition, interest penalties range from 12 to 18 percent on the money owed.

Myth: This bill would put an undue hardship on small businesses that are voluntarily providing health care coverage for their employees and their employees’ families.

Fact: Health care providers are also small businesses. As small business owners, they are subject to make timely payments for health care coverage for their employees. Presently, these same health care providers or small businesses are subject to an undue hardship when they do not receive timely payments for their services.