



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
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Governor

HOLLY C. BAKKE
Acting Commissioner

BULLETIN NO. 02-07

TO: ALL INSURANCE COMPANIES, HEALTH SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, HEALTH MAINTENANCE ORGANIZATIONS, DENTAL SERVICE CORPORATIONS AND DENTAL PLAN ORGANIZATIONS ISSUING HEALTH BENEFIT PLANS OR DENTAL PLANS IN NEW JERSEY

FROM: HOLLY C. BAKKE, ACTING COMMISSIONER

RE: CLARIFICATION OF PROMPT PAYMENT OF CLAIMS REPORTING REQUIREMENTS AT N.J.A.C. 11:22

N.J.A.C. 11:22 establishes Department of Banking and Insurance (Department) standards for the payment of claims relating to health benefits plans and dental plans. N.J.A.C. 11:22-1.8 and 1.9 contain requirements for carriers to file certain reports with the Department relating to the payment of claims. The Department has received a number of questions about the practical application of these requirements. The purpose of this Bulletin is to provide responses to these questions, as follows:

N.J.A.C. 11:22-1.8(d) - Provider Appeals Report

N.J.A.C. 11:22-1.8 addresses carrier mechanisms to resolve claims payment disputes between carriers or their agents and participating health care providers. N.J.A.C. 11:22-1.8(d) requires carriers to annually report, in a format prescribed by the Department, the number of internal and external provider appeals received and how they were resolved.

• Carriers are required, no later than July 1, 2002, to make available at the request of the Department, the 2001 annual provider appeals report in the format attached to this Bulletin.

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•Carriers should note that the format required by this Bulletin differs from that required by the Department's Order No. A01-124.

N.J.A.C. 11:22-1.9(a) - Quarterly Timeliness of Claims Payments Report

N.J.A.C. 11:22-1.9(a) requires carriers to report quarterly to the Department on the timeliness of claims payments in the format set forth at Appendix A (claims payment exhibit) to N.J.A.C. 11:22.

•Because March 31, 2002 falls on a Sunday, the 2001 fourth quarter report shall be filed with the Department by April 1, 2002.

•The quarterly claims payment exhibit (Appendix A) report is not required to be audited.

•An annual claims payment exhibit (Appendix A) report is not required to be filed.

N.J.A.C. 11:22-1.9(a) - Reasons for Denial and Late Payment of Claims Report

N.J.A.C. 11:22-1.9(a) requires carriers to report quarterly and annually on the reasons for any denials and late payments of claims (claims prompt payment report) in the format set forth at Appendix B to N.J.A.C. 11:22.

•The Department is not requiring that carriers file a separate fourth quarter claims prompt payment report (Appendix B) in addition to the annual report.

•Because March 31, 2002 falls on a Sunday, the 2001 annual claims prompt payment report (Appendix B) shall be filed with the Department by April 1, 2002.

N.J.A.C. 11:22-1.9(b) - Audited Annual Claims Prompt Payment Report

N.J.A.C. 11:22-1.9(b) requires that the annual report filed with the Department pursuant to N.J.A.C. 11:22-1.9(a) be audited by a private auditing firm, and accompanied by the report of the auditing firm.

•The work shall be conducted, and the report shall be prepared, in accordance with agreed-upon procedures acceptable to the Department.

•The report of the auditing firm may be filed with the Department on or before May 31, 2002. The 2001 fourth quarter Appendix A report and the annual 2001 Appendix B report due March 31, 2002 shall be filed with the Department on or before April 1, 2002.

N.J.A.C. 11:22-1.9(c) and (d) - Submission Address and Media

•N.J.A.C. 11:22-1.9(c) requires all reports to be filed with the Department by the due date at the following address:

NJ Department of Banking & Insurance
Office of Enforcement and Consumer Protection
Prompt Payment Reports
20 West State Street
PO Box 329
Trenton, NJ 08625-0329

•N.J.A.C. 11:22-1.9(d) requires all reports to be filed in hard copy and as an Excel spreadsheet by either CD-ROM, zip diskette or floppy diskette.

Requests for Extension

A request for an extension of time to file the reports required by N.J.A.C. 11:22-1.8 and 1.9 with a due date of March 31, 2002, other than the report of the auditing firm, shall be made on or before 5 PM EST on April 1, 2002, and shall include the following: the reason for the request; the date by which the report will be filed; and the name, address, telephone number, FAX number and e-mail address of the person to be contacted concerning the request. The Department cannot consider telephone or e-mail extension requests. FAX requests shall be sent to 609-633-0527, Attn: Prompt Pay Reports.

3/12/02
Date


Holly C. Bakke, Acting Commissioner

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