

# PROMPT PAYMENT OF INSURANCE CLAIMS

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**DID YOU KNOW** ... that Louisiana law requires prompt payment of insurance claims? Chapter 1 of Title 22 of the Louisiana Revised Statutes §250.31 through §250.37 provides specific time limits for payment of claims submitted by health care providers and provides for monetary penalties against any insurer who fails to pay claims timely. ♦

## **Electronic Claims Submissions – the 25-Day Rule:**

When a health care provider submits a claim for payment in an *electronic* data format specified by the health insurer and approved by the Department of Insurance, the insurer must pay the claim **within twenty-five (25) days** “from the date upon which a correctly completed uniform claim form is electronically transmitted to the health insurance issuer, unless just and reasonable grounds such as would put a reasonable and prudent businessman on his guard exist.”

## **Non-Electronic Claims Submissions – 45-Day, 60-Day and 30-Day Rules:**

When a health care provider submits a *non-electronic* claim for payment, the time limitations for payment of the claim vary, depending upon whether or not the claim is submitted under a contract with the health insurer.

- If the provider submits a claim non-electronically *under a contract* for provision of covered benefits, the insurer must pay the claim **within forty-five (45) days** “from the date upon which a correctly completed uniform claim form is furnished, unless just and reasonable grounds such as would put a reasonable and prudent businessman on his guard exist.”
- If the provider submits a non-electronic claim, under a contract, **more than forty-five (45) days** after the date of service,” or if the provider has had to resubmit such a claim “because the original claim was incomplete,” the insurer must pay the claim **within sixty (60) days** from the date it was furnished a correct claim form, “unless just and reasonable grounds such as would put a reasonable and prudent businessman on his guard exist.”
- *Absent a contract with the health insurer*, non-electronic claims must be paid **within thirty (30) days** from the date upon which the insurer was furnished a correctly completed claim form, “unless just and reasonable grounds . . . exist.”

## **Penalties for Late Payment of Claims – One Percent Per Month:**

An insurer who fails to pay a claim within the time periods specified above must pay the claimant “a late payment adjustment equal to one percent of the amount due.” If more than twenty-five (25) days pass from the date payment was due, the insurer must pay the claimant “an additional late payment adjustment equal to one percent of the unpaid balance due for each month or partial month that such claim remains unpaid.”

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♦ This law does not apply to the State Employees Group Benefits Program.

## PROMPT PAYMENT OF INSURANCE CLAIMS (continued)

Under Louisiana law, insurance is a business regulated by the Louisiana Department of Insurance. If you or your patients experience a problem relative to the payment of insurance claims, we suggest filing a complaint with the Louisiana Department of Insurance and with your insurance company or employee benefit plan.

You can file a claim at the Department of Insurance at:

<https://www.lidi.la.gov/onlineservices/ConsumerComplaintForm>

If you need more information or have specific questions relative to the practice of dentistry, please contact the Louisiana Dental Association at 7833 Office Park Boulevard, Baton Rouge, LA 70809, telephone number (225) 926-1986.

You can also find the exact law by going to <http://www.legis.state.la.us> and clicking on the section entitled Louisiana Laws.

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