

SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



September 2009

New Jersey Prompt Pay Rules

There seems to be some confusion regarding insurance prompt payments in New Jersey. The statutes cover individual policies, group policies and HMO's.

Deadline: The statutes state that a health insurer or HMO shall remit payment for insured claims within 30-calendar days of the receipt of an electronic claim and within 40 calendar-days of receipt of a written claim if:

1. the health care provider is eligible at the date of service;
2. the person who received the service was covered on that date;
3. the claim is for a service or supply covered under the health benefits plan;
4. the claim is submitted with all the information requested by the payer on the claim form or in other instructions that were distributed to the provider or covered person;
5. and, the payer has no reason to believe that the claim was submitted fraudulently.

Denied Claims: If all or a portion of a claim is not paid within the above timeframes, the payer shall notify the provider, by electronic means and the covered person in writing within 30 days of receiving an electronic claim, or notify the covered person and provider in writing within 40 days of receiving a claim submitted by other than electronic means of the reasons for the denial, including a statement as to what other information is required to complete adjudication of the claim, if applicable.

Interest: An overdue payment shall bear interest at the rate of 12% per annum payable to the provider at the time the overdue payment is made.

Workers' Compensation Claims: There are no prompt payment requirements for workers' compensation claims.

For New Jersey statute numbers and questions, send an email to info@savitcollect.com or telephone the Customer Care Department at 800-491-5757.

References: N.J. Stat. Ann. § 17B:26-9.1, N.J. Stat. Ann. § 17B:27-44.2 and N.J. Stat. Ann. § 26:2J-8.1