

Texas Department of Insurance Adopts Changes to Prompt Pay Reporting Requirements

06/04/2021

The Texas Department of Insurance (the “Department”) [announced earlier today](#) that it has [formally adopted its proposed changes](#) to 28 Tex. Admin. Code § 21.2821, which lays out the prompt pay reporting requirements for managed care carriers (“MCC”). As detailed below, the amendment expands the scope of the reporting, but reduces the reporting frequency by clarifying that MCCs no longer have to submit monthly penalty and interest reports to the Department. The adoption order suggest that the primary purpose of the amendments is to enable the Department to “adequately determine [an MCC’s] compliance” with prompt pay laws.

Starting with reports due on May 15, 2022, in addition to claims payment information MCCs are currently providing, an MCC’s quarterly claims payment report to the Department must include:

- (1) claim-level penalty and interest information; and
- (2) the total number of written complaints received by the MCC for failure to timely pay a clean claim.

To comply with the new claim-level reporting requirements, an MCC’s quarterly report must provide, at a minimum, the following information:

- (1) the aggregate dollar amount of clean claims from institutional and noninstitutional preferred providers paid:

- (A) on or before the 45th day after the end of the applicable statutory claims payment period;
- (B) on or after the 46th day and before the 91st day after the end of the applicable statutory claims payment period; or

- (C) on or after the 91st day after the end of the applicable statutory claims payment period;

- (2) the dollar amount that the MCC paid to an institutional or noninstitutional preferred provider for each clean claim that the MCC paid to such provider:

- (A) on or before the 45th day after the end of the applicable statutory claims payment period;
- (B) on or after the 46th day and before the 91st day after the end of the applicable statutory claims payment period; or

- (C) on or after the 91st day after the end of the applicable statutory claims payment period;

(3) the amount of interest, based on the penalty dollar amount, that the MCC paid to the Department for each clean claim that the MCC paid to a noninstitutional preferred provider on or after the 91st after the end of the applicable statutory claims payment period; and

(4) for each clean claim, the associated penalty dollar amount as reported in accordance with (2), above.

The claim-level data required by (2), (3), and (4), above, must be reported using a unique identifier for each claim that is created and maintained solely by the MCC. The unique identifier cannot: (a) be the claim number; (b) contain more than 15 characters; or (c) contain any of the identifiers listed in 45 C.F.R. § 164.514(b). MCCs must be able to relate the unique identifier back to the claim during an exam.

While the prompt pay reporting rule has only ever required MCCs to submit quarterly reports, in practice MCCs have reported penalty and interest payments to the Department on a monthly basis. In its adoption order, the Department clarified that, “monthly reporting will no longer be necessary,” and MCCs “will begin reporting the data quarterly.” The amended rule states that these new reporting requirements apply beginning with the report required to be submitted by May 15, 2022 for the months of January, February, and March of 2022.

In conjunction with today’s amendments to the prompt pay reporting rule, the Department stated that it is developing a process that will automate the reporting of claim-level data by allowing MCCs to upload a file containing such data. The Department expects this process will be implemented and “available for use by MCCs well in advance of the first reporting deadline in May of 2022.”