



Sick and tired of providing interest-free loans?

**That's exactly what you're doing when
health plans don't pay your claims on time.**



The American Medical Association (AMA), through its successful Campaign to Promote Timely Payment, is working harder than ever to defend the rights of physicians and patients to have claims paid on time. These efforts have dramatically affected the development and implementation of laws to counter late payment in 47 states, leading to more than \$30 million in fines levied against health plans that have violated state laws.

And the AMA continues to raise the stakes.

“Health plans are playing banker with your money.”

The AMA is fighting on your behalf to curb abusive practices by health plans.

Just how bad is it?

Delayed payments severely hinder physicians' ability to keep their practices afloat. These delays also increase the cost of health care for patients and put billions of dollars in the “pockets” of health plans as they earn cumulative interest on every late claim.

Recent studies continue to show that some health plans delay payments to physicians in excess of 90 days, while most physician practices across the country report being owed thousands of dollars in late payments.



Fighting for fairness

The AMA, through its Advocacy Resource Center (ARC) and Private Sector Advocacy (PSA) unit, has aggressively attacked the late payment problem that is plaguing physicians and disrupting their practices as well as threatening their ability to provide patient care.

We battle against delinquent health plans to defend physician rights by frequently collaborating with regulators and legislators. Our goal is not only to enact meaningful laws, but to make sure that these laws are enforced by state regulators. A top priority of the AMA is to get physician claims paid — in full and on time. We are accomplishing this goal through the following activities:

- The AMA has assisted 52 local and state medical associations by surveying physicians to collect information on the timeliness of health plan payments. The survey data we've analyzed clearly demonstrate the magnitude of payment delays. As of June of 2002, approximately 25,000 physicians, who provided care to more than eight million patients and have contracted with more than 500 health plans, have been surveyed as part of the AMA Campaign to Promote Timely Payment.
- Data collected as part of the AMA campaign has been used to demonstrate a need for increased monitoring and enforcement provisions. A growing number of states have recently revised existing prompt payment laws affording physicians and patients greater protections. In most states and counties that have completed prompt payment surveys and published the results, physicians are starting to get paid, many with interest.
- We have worked with state medical associations and national medical specialty societies to enact meaningful laws governing prompt payment in 47 states. These laws focus on graduated interest penalties; claims status indicators; "clean" claim definitions; uniform standards and forms for submission; and more.
- Regulators in several states have begun to hold health plans accountable for violating state prompt payment laws resulting in significant fines.

- Health plans are starting to recognize that they must improve their claims processing and payment systems if they wish to comply with state prompt payment laws. These improvements have included increased automation of their systems, shifting away from manual processing and focusing on electronic and Web-based technologies.
- Early evidence indicates that the percentage of physician practices experiencing extensive payment delays has decreased significantly. This directly correlates to the enactment of state laws and action resulting from physician survey participation.
- We developed special Web sites, through which AMA members, Federation staff, and physicians can access comprehensive advocacy information relating to prompt payment initiatives and activities.

What's next?

The AMA continues to work with medical associations to enact even stronger prompt payment laws with a renewed focus on monitoring and enforcement provisions. The AMA will continue to:

- Work with medical associations to track health plan delayed payment trends across the country.
- Collect complaints from individual physicians across the country about health plan payment delays.
- Advocate for tougher penalties, including fines and interest payments, when health plans violate state prompt payment laws.
- Raise the level of physician, public, and media awareness of our prompt payment initiatives to generate support nationwide for stronger state prompt payment laws.

“Patients and their families deserve nothing less than their bills paid in a timely manner.”

How you can help

Delayed payments to physicians are an early warning sign of health plan financial instability and bankruptcy. You can help the AMA protect you and your patients by providing information through a physician timely payment survey.

These surveys have helped develop and enforce prompt payment laws. The surveys collect comprehensive data, providing lawmakers with reliable, actionable information. There are many ways you can help:

- Continue to accurately prepare your claim forms so health plans can expedite their claims processing and payment processes.
- Notify the health plan in writing that you have not received payment for claims you believe are delinquent according to your state’s prompt payment law.
- If a claim has not been paid in accordance with your state law and is untimely, follow the requirements for notifying the respective state regulatory agency of the violation.
- Alert appropriate medical associations about your delayed payment problems.
- Get involved in your state, county, and national medical specialty societies’ advocacy efforts.

Physicians less than to have full and on time.”

- Fill out a prompt payment survey (contact your local medical association for more information).
- Fill out the AMA Health Plan Complaint Form available on the AMA-PSA Web site: www.ama-assn.org/go/psa.
- Talk to your patients about the prompt payment problem. Explain to them how they can help you keep your costs down if they report their own payment delays to local regulatory agencies. In most states, patients also have a legal right to prompt payment.

No matter how comprehensive state laws and advanced complaint reporting processes are, they're helpful only if physicians take advantage of them. State laws aren't effective on their own. Remember that the laws were developed to protect you and your patients from the abusive payment practices of health plans. Patients and their physicians deserve nothing less than to have their bills paid in full and on time.



Contact Private Sector Advocacy

There are three easy ways to contact the PSA group:

- Go to the AMA-PSA Web site at www.ama-assn.org/go/psa.
- Call 800 262-3211, and ask for Private Sector Advocacy.
- Send a fax to 312 464-5541.

Membership

The benefits of AMA membership are many — the prompt payment initiative is just another good reason to join. To sign up, or to learn more about becoming a member, call 800 621-8335 or visit the AMA Web site at www.ama-assn.org. You'll also find valuable resources on this site — such as books, tools, and educational products — that are available to members and non-members.



Apply for your HIPAA extension today!

The AMA encourages all physicians to file for Health Insurance Portability and Accountability Act (HIPAA) extensions, and to do so as quickly as possible. All covered entities, including physicians, are expected to be in compliance with the standards by October 16, 2002. Extension forms are available on the AMA Web site at www.ama-assn.org/ama/pub/category/6698.html#2. Apply for your HIPAA extension today.