



Texas Department of Insurance

Commissioner of Insurance, Mail Code 113-1C
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-463-6464 telephone • 512-475-2005 fax • www.tdi.state.tx.us

August 17, 2005

COMMISSIONER'S BULLETIN NO. B-0037-05

TO: WORKERS' COMPENSATION SYSTEM PARTICIPANTS

RE: MEDICAL BILLING TIMEFRAMES

House Bill 7 (HB 7) made significant changes in the timeframes for medical billing and payment regarding workers' compensation effective September 1, 2005. This bulletin provides clarification regarding the implementation of HB 7 and workers' compensation rules pertaining to medical billing timeframes. The adoption of HB 7 by the 79th Texas Legislature amended Texas Labor Code §408.027 (regarding Payment of Health Care Provider), and these changes are applicable to medical bills that are submitted on or after September 1, 2005.

The following statutory provisions from HB 7 take precedence over any conflicting provisions in workers' compensation rules:

- §408.027(a) requires a health care provider to submit a medical bill to the insurance carrier on or before the 95th day after the date of service. Failure to timely submit the medical bill constitutes a forfeiture of the health care provider's right to reimbursement.
- §408.027(b) requires an insurance carrier to pay, reduce, deny, or determine to audit the bill no later than 45 days after the carrier's receipt of the bill. The insurance carrier may request additional documentation necessary to clarify the health care provider's charges at any time during the 45-day bill review period. The health care provider must provide the requested documentation no later than the 15th day after the date of receipt of the insurance carrier's request.
- §408.027(b) and (c) modifies the procedures and time frames for audits of medical billings performed by an insurance carrier. If the insurance carrier intends to perform an audit, the insurance carrier must pay 85 percent of the fee guideline amount or the contracted rate, within 45 days of receipt of the medical bill. Further, the audit must be completed within 160 days of receipt of the medical bill. If the health care services provided are

determined to be appropriate, the carrier must pay the remaining 15 percent within that 160-day period.

- §408.0271 (regarding Reimbursement by Health Care Provider) establishes procedures and time frames for insurance carriers to request refunds from health care providers. Health care providers must reimburse the insurance carrier or appeal a refund request with the insurance carrier no later than 45 days after receipt of the request. The insurance carrier, in turn, must act on the appeal no later than 45 days after the date the health care provider files the appeal.
- All of these provisions apply to health care provided through a workers' compensation health care network certified by the Texas Department of Insurance under Chapter 1305 of the Insurance Code. Workers' compensation health care networks can apply for certification beginning January 1, 2006.

If a conflict does exist between the statute and existing workers' compensation rules, the statute takes precedence. Failure to comply with these statutory changes may constitute an administrative violation.

Questions regarding this bulletin should be directed to:

Nancy Moore (512) 322-3486, nancy.moore@tdi.state.tx.us

or

Jerry Hagins (512) 463-6425, jerry.hagins@tdi.state.tx.us

or

Steve Quick (512) 804-4436, steve.quick@twcc.state.tx.us

Sincerely,

Mike Geeslin
Commissioner of Insurance