



LOUISIANA DEPARTMENT OF INSURANCE
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BULLETIN NO. 06-02

TO: All Health Insurance Issuers, HMOs and Third Party Administrators

FROM: James J. Donelon, Commissioner of Insurance

RE: Submission of Compliance Standards and Procedures for Non-Electronic and Electronic Pharmacy Claims Pursuant to R.S.22:250.53 through 22:250.54

DATE: March 31, 2006

Act 876 of the 2004 Regular Session of the Louisiana Legislature enacted R.S. 22:250.51 through 22:250.62. Bulletin 06-02 is to advise health insurance issuers and health maintenance organizations (hereinafter referred to as HMOs) that they were required to file the below referenced "procedures" with the Louisiana Department of Insurance (Department) on or before January 1, 2005, the effective date of Act 876.

Inasmuch as many health insurance issuers and HMOs have not complied with this deadline, the Department hereby advises all health insurance issuers and HMOs to file the below referenced "procedures" on or before **May 1, 2006**. Failure to file the below referenced "procedures" on or before **May 1, 2006** may be deemed a violation of R.S. 22:250.53 through 22:250.54 and may subject the health insurance issuer or the HMO to legal action.

Pursuant to R.S. 22:250.53.B, health insurance issuers and HMOs are required to submit to the Department, for approval, a document entitled "Prompt Payment Procedures Plan For Non-Electronic Pharmacy Claims" detailing statutory compliance for the receipt, acceptance, processing and payment of non-electronic claims. The "Prompt Payment Procedures Plan For Non-Electronic Pharmacy Claims" shall include, but not be limited to, the following:

1. A process for documenting the date of actual receipt of non-electronic claims; and
2. A process for reviewing non-electronic claims for accuracy and acceptability.

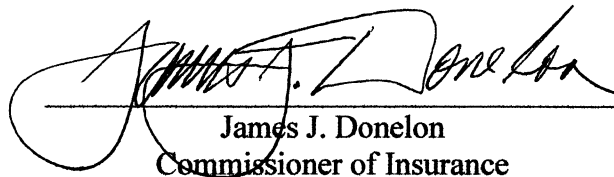
Additionally, pursuant to R.S. 22:250.54.B, health insurance issuers and HMOs are required to submit to the Department, for approval, a document entitled "Prompt Payment Procedures Plan For Electronic Pharmacy Claims" detailing statutory compliance for the receipt, acceptance, processing and payment of electronic claims. The "Prompt Payment Procedures Plan For Electronic Pharmacy Claims" shall include, but not be limited to, the following:

1. A process for electronically dating the time and date of actual receipt of electronic claims;
2. A process for reviewing electronic review of transmitted claims for accuracy and acceptability; and
3. A process for reporting all claims rejected during electronic transmission and the reason for the rejection.

Furthermore, all health insurance issuers and HMOs are required to submit to the Department their current claims address and to advise the Department, in writing, of any change of the claims address. As a courtesy to the healthcare industry, a list of the current claims addresses for all health insurance issuers and HMOs will be maintained on the Department's web site.

Submission of the "Prompt Payment Procedures Plan For Non-Electronic Pharmacy Claims" and the "Prompt Payment Procedures Plan For Electronic Pharmacy Claims" should be submitted to the Deputy Commissioner, Office of Health Insurance, 1702 North Third Street, Baton Rouge, LA 70802, or P.O. Box 94214, Baton Rouge, LA 70804-9214. Specific inquiries regarding Bulletin No. 06-01 should be directed to Claire Lemoine, Chief Health Attorney, electronically at <clemoine@ldi.state.la.us> or by telephone at (225) 342-1355.

All health insurance issuers and HMOs are to comply with Bulletin No. 06-02 on or before **May 1, 2006**.



James J. Donelon
Commissioner of Insurance