



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF THE COMMISSIONER
PO BOX 325
TRENTON, NJ 08625-0325
Tel (609) 292-5360

JAMES E. MCGREEVEY
Governor

HOLLY C. BAKKE
Commissioner

BULLETIN NO. 03-04

TO: ALL INSURANCE COMPANIES, HEALTH SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, HEALTH MAINTENANCE ORGANIZATIONS, DENTAL SERVICE CORPORATIONS AND DENTAL PLAN ORGANIZATIONS ISSUING HEALTH BENEFIT PLANS OR DENTAL PLANS IN NEW JERSEY

FROM: HOLLY C. BAKKE, COMMISSIONER

RE: PROMPT PAYMENT OF CLAIMS REPORTING REQUIREMENTS AT N.J.S.A. 17B:30-30, N.J.A.C. 11:22-1.9, AND BULLETINS 02-07 AND 02-12

N.J.A.C. 11:22-1 establishes the Department of Banking and Insurance (Department) standards for the payment of claims relating to health benefits plans and dental plans. N.J.S.A. 17B:30-30 and N.J.A.C. 11:22-1.9 contain requirements for carriers to file certain reports with the Department relating to the payment of claims. The Department issued Bulletin 02-07 on February 15, 2002 and Bulletin 02-12 on May 20, 2002 to clarify these requirements. The purpose of this Bulletin is to further clarify the requirements of N.J.A.C. 11:22-1.9. Bulletins 02-07 and 02-12, which are available on the Department's web site (<http://www.state.nj.us/dobi/bullet02.shtml>), remain in effect except for items which are out of date or modified by this Bulletin.

N.J.A.C. 11:22-1.9(a) requires a carrier to file an annual report with the Department on the reasons for denial and late payment of claims (Appendix B report). N.J.A.C. 11:22-1.9(b)

requires that the annual Appendix B report be audited. The due date for the annual Appendix B report, and the accompanying report of the auditing firm, (collectively, the audited annual report) is March 31, 2003 as specified by N.J.A.C. 11:22-1.9(a). (Bulletins 02-07 and 02-12 extended the due date for the report of the auditing firm for the 2001 report only.)

The purpose of this Bulletin is to further clarify the requirements for the Appendix B report.

- The annual report should be submitted in the format provided by Appendix B of N.J.A.C. 11:22-1. Each page of the Appendix B report should contain the name of the company submitting the report, its 5 digit NAIC number, and a date or version number.
- N.J.A.C. 11:22-1.9(c) requires all reports, including the report of the auditing firm, to be filed with the Department by the due date. The address given in that rule is changed to:

(By U.S. mail:) NJ Department of Banking & Insurance
Life & Health Actuarial
Prompt Payment Reports
PO Box 325
Trenton, NJ 08625-0325

(By other delivery,
such as FedEx or UPS:) NJ Department of Banking & Insurance
Life and Health Actuarial
Prompt Payment Reports
20 West State Street
Trenton, NJ 08625

- N.J.A.C. 11:22-1.9(b) requires that copies of the audited annual report (the Appendix B report accompanied by the report of the auditing firm) be sent to the Governor and the majority and minority offices of the legislature. For the 2002 report, the entity filing the

report is responsible for sending a single hard copy of the audited annual report to each of the addresses stated below. (An electronic format report is not required to be sent to these addresses.)

Governor

Governor James E. McGreevey
PO Box 001
Trenton NJ 08625-0001

Legislature

Senate Democratic Office
PO Box 099
Trenton NJ 08625-0099

General Assembly Majority Office
PO Box 098
Trenton NJ 08625-0098

Senate Republican Office
PO Box 099
Trenton NJ 08625-0099

General Assembly Minority Office
PO Box 098
Trenton NJ 08625-0098

- N.J.A.C. 11:22-1.9(d) specifies the media in which all reports are to be filed. The filing of this report with the Department is to be made through the submission of the original and 1 copy of the audited annual report (Appendix B report and the report of the auditing firm) in hard copy, plus the Appendix B report in electronic format as an Excel spreadsheet on CD-ROM, or floppy diskette. It is not necessary to file the report of the auditing firm in electronic format.
- The deadline for requesting an extension of time to file the audited annual report required by N.J.A.C. 11:22-1.9(b) is March 31, 2003. Such requests shall be made by the entity responsible for submitting the report and shall include the following: the reason for the request; the date by which the report will be filed; and the name, address, telephone number,

fax number and e-mail address of the person to be contacted concerning the request. Requests submitted via fax shall be sent to 609-633-0527, Attn: Prompt Pay Reports. Extension requests can be mailed to the address given for submission of the reports to the Department. The Department cannot consider telephone or e-mail extension requests.

- Requests for additional information and clarification (including a request to review procedures or report format) can be made by fax to 609-633-0527, Attn: Prompt Pay Reports or by e-mail to aparekh@dobi.state.nj.us. The phone number for questions about this Bulletin is 609-292-5427 x 50340.

2/28/03
Date

/s/ Holly C. Bakke
Holly C. Bakke
Commissioner

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