



NEWS RELEASE

JOHN OXENDINE
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

Seventh Floor, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334
www.gainsurance.org

For Immediate Release
January 24, 2002

Contact: Gina S. Gassert or Glenn Allen
404-651-7902
TDD: 800-656-4031

OXENDINE: HUMANA RECEIVES LARGEST FINE IN GEORGIA HISTORY OVER PROMPT PAY

Atlanta – Georgia Insurance Commissioner John W. Oxendine today fined Humana Employers Health Care of Georgia, Inc., for violating Georgia’s prompt pay law, the second time in as many years that Humana has been reprimanded for delaying claims payments.

Commissioner Oxendine ordered the HMO to pay a penalty of \$400,000. The fine is the latest, and largest, in a series of fines against health maintenance organizations and other healthcare plans resulting from ongoing reviews by Commissioner Oxendine’s office of claims data that the plans are required to submit quarterly.

“I am disappointed that Humana hasn’t been more conscientious in its claims payment practices,” Commissioner Oxendine said. “After our initial reviews in 1999 and 2000, I gave Humana ample time to make necessary changes in its procedures before initiating new examinations. Now we’ve started a new round of examinations on all managed care plans, and if we don’t find significant improvements, more fines will be forthcoming. The bottom line is we expect all insurers to expedite the payment process.”

The purpose of the reviews is to ensure that managed care plans are paying claims within 15 working days, or notifying the provider or policyholder why a claim can’t be paid, as Georgia law requires.

In August 1999, Oxendine issued a directive to all healthcare plans licensed in Georgia that his office would begin examining claims data every quarter, beginning with the quarter ending September 30, 1999. Since then no HMO reviewed to date has been in 100 percent compliance with the law. HMOs and other healthcare plans have been repeatedly warned by Commissioner Oxendine that nothing less than strict compliance with the law is expected.

A number of HMOs, including Humana, were fined following initial examinations in 2000 and 2001. At the time Commissioner Oxendine fined Humana \$15,039. The fine announced today is the first based on new reviews.

Consumers having difficulty with their HMO or with any insurer should contact Commissioner Oxendine’s Consumer Services Division at **404-656-2070** or **1-800-656-2298** from **8 a.m. to 7 p.m., Monday through Friday**, or they may visit the Web site at the above address to obtain a complaint form and instructions for submitting it.

###