

**ADVISORY NO. 306**  
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**TOPIC: LATE PAYMENT OF INTEREST ON MEDICAL BILLS**

Carriers are required to pay or dispute medical bills within forty-five days of the date of receipt. Rule 133.304 (o). For medical bills not in dispute, if the carrier fails to pay the bill before the sixtieth day (60<sup>th</sup>), the carrier must pay interest “without order of the Commission.” Rule 133.304 (q).

A recent case filed in Jefferson County (Beaumont) seeks damages for the failure to pay interest in a class action type of complaint. Although the complaint was filed on behalf of two plaintiffs, and identifies two insurance companies, we believe that it will be expanded and made to include all providers and all insurance companies.

On an entirely different front, Dr. Robert Howell, a chiropractor in the Brownsville area, has begun to file Justice of the Peace Court suits on each case in which carriers failed to pay interest on one of his bills. Although the complaints generally allege less than \$10 in interest in each case, Dr. Howell requests court costs and attorney’s fees. Dr. Howell’s attorney has been able to obtain attorney’s fees in excess of \$1,000 on a similar complaint. The justice of the peace was not persuaded that the fees were unnecessary inasmuch as a phone call would have accomplished the purpose of the lawsuit, nor did he believe the fees to be unreasonable in amount, inasmuch as the fees awarded were clearly unrelated to the actual time spent on the individual case. One may easily anticipate that cases filed in the same justice court, before the same justice of the peace would be similarly adjudicated. The judge may order several dollars in interest and several thousand dollars in attorney’s fees on each case.

This firm accordingly urges that each carrier be very attentive to the obligation to pay interest on a medical bill paid on or after the sixtieth day following receipt. The rule requires that interest be paid. Failure to pay interest is a potential administrative violation. It may become the subject of a class action suit in a case pending in Beaumont. Lastly, it may be the subject of an enforcement suit by an aggressive provider.

FLAHIVE, OGDEN & LATSON