

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: Late 1003  
(I-13)

Introduced by: Colorado  
Subject: Prepayment Review by Third Party Payers  
Referred to: Reference Committee J  
(Dolleen M. Licciardi, MD, Chair)

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1 Whereas, Physicians practice under the umbrella of contract law as a service provider; and  
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3 Whereas, When a service is provided, the contracting entity owes the physician for that service;  
4 and  
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6 Whereas, If the physician has a contract with the patient's insurance, the insurance is obligated  
7 to pay for that service; and  
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9 Whereas, In most cases, the physician has agreed to bill that insurance and await payment for  
10 those services; and  
11  
12 Whereas, The insurance company is usually contracted to pay for all covered services provided;  
13 and  
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15 Whereas, Increasingly third-party payers are delaying payment by requesting documentation of  
16 service provided prior to paying for that service; and  
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18 Whereas, This unnecessarily delays payment and places a high burden of time and extra work  
19 on the physicians staff; and  
20  
21 Whereas, The payers have always, and continue to have, the ability to ask for documentation  
22 after payment is made and if the payment was incorrect, recouping the money; therefore be it  
23  
24 RESOLVED, That our American Medical Association work with all payers to ensure that they  
25 stop the practice of delaying payments by asking for documentation to review, prior to payment  
26 (Directive to Take Action); and be it further  
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28 RESOLVED, That our AMA work with payers to establish rules to continue to allow the payer to  
29 conduct prepayment documentation review if the payer has performed a post payment  
30 documentation review and proven that the provider has been submitting incorrect claims  
31 (Directive to Take Action); and be it further  
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33 RESOLVED, That if efforts to work with payers to end the practice of delaying payments without  
34 reasonable justification fail, our AMA seek legislation that would accomplish this. (Directive to  
35 Take Action)

Fiscal Note: Moderate – between \$5,000 - \$10,000.

Received: 11/15/13