

Texas Prompt Pay Laws: Cheat Sheet

Timelines, Penalties, and Action Steps for Clean Claims

What Are Texas Prompt Pay Laws?

Texas Prompt Pay laws require health insurers to pay clean claims within a specific timeframe. A clean claim is one that's properly submitted with no errors, missing information, or coordination issues. These rules are enforced by the Texas Department of Insurance (TDI).

Clean Claim Deadlines (Texas)

- Electronic claims: Must be paid within 30 days
- Paper claims: Must be paid within 45 days
- If a claim is not paid or denied by Day 46, penalties and interest apply

Penalties for Late Payment (Per TDI)


- Days 1–45 late: Up to 50% of the contract discount may be owed to the provider
- Days 46–90 late: Up to 100% of the contract discount may be owed
- Over 90 days late: 100% of discount PLUS 18% annual interest on the full claim amount

Exceptions & Extensions

- During declared catastrophes, deadlines may be extended by 15 days
- Extensions are announced through official TDI bulletins

How to Use This Law to Your Advantage

- Track all clean claim submission dates by payer
- Set alerts for Day 30 and Day 45 payment checks
- Use TDI Form FIN593 to review penalty calculations
- Send interest invoices when appropriate
- Report noncompliance via TDI's Prompt Pay Portal

 **Pro Tip:** Only clean claims qualify. Make sure all documentation, coding, and attachments are complete at submission.