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NCDS update

A Billing Industry Newsletter for Clients

Keeping your office up-to-date on industry and insurance changes, late-breaking billing & reimbursement news, and general inter-office communication…

Ideas To Curb Surprise Medical Bills Percolate With Rare Bipartisan Push

Shefali Luthra and Emmarie Huetteman – KHN.org

Surrounded by patients who told horror stories of being stuck with hefty bills, President Donald Trump recently waded into a widespread health care problem for which almost everyone — even those with insurance — is at risk: surprise medical billing.

Trump's declaration that taming unexpected bills would be a top priority for his administration echoed through the halls of Congress, where a handful of Republican and Democratic lawmakers have been studying the problem the past couple of years.

The sudden presidential interest has lawmakers on both sides of the aisle expressing optimism about attacking a problem that has affected 57 percent of American adults, according to a University of Chicago survey conducted last summer.

While appetite for policymaking is on the upswing, the details of a possible solution remain up in the air. The Trump administration has not laid out precisely how it would take on surprise bills. But key lawmakers, including Alexander and Cassidy, have met with administration officials to discuss how to reduce health care costs. With an eye toward drafting legislation, these two senators and several others have been consulting with billing experts, as well as state and local officials, about the biggest challenges and most promising approaches being used around the country.

Previously introduced bills would impose new notification requirements, as well as limitations on what doctors and hospitals might charge patients. They would regulate bills for either emergency care at an out-of-network facility, or non-emergency care when the facility is in-network but the doctor is not.

- A draft bill pushed by Cassidy — a gastroenterologist by trade and the leader of a small, bipartisan group studying the issue — would cap what patients pay, and prohibit balance billing, when a patient is expected to make up the difference between what the provider charged and what the insurer paid. Instead of arbitration, the state would set the amount a health plan must pay. In the absence of a local policy, health plans would default to a federal formula outlined in the bill. (Similar to laws passed in California and Connecticut.)
- A bill from Sen. Maggie Hassan (D-N.H.) would tackle the issue by preventing a hospital, physician group or other medical provider from charging patients more for an emergency procedure than they would have expected to pay for in-network care. It would then establish an arbitration process to determine what the patient's health plan should pay. (Similar to laws passed in New York and New Jersey.)
- A bill from Rep. Lloyd Doggett (D-Texas), the chairman of the House Ways and Means' health subcommittee, introduced during the last Congress with Sen. Sherrod Brown (D-Ohio), would require
- hospitals to notify patients whether they, and the doctors and other providers the patient would see there, are in-network, as well as how much patients could expect to pay out-of-pocket. Without at least 24 hours' notice and the patient's consent — or if the patient was receiving same-day, emergency treatment — the hospital would be able to charge the patient no more than an in-network provider would.

Both Hassan's and Cassidy's bills "would go a long way toward protecting patients," suggested Zack Cooper, a Yale health economist who researches surprise billing. Hassan's legislation, he said, has the additional benefit of likely bringing down health care costs. "There are a lot of issues that can't be fixed or at least can't be fixed easily. This is an issue that causes immense pain and is quite visceral and can be fixed," Cooper said.

And federal legislation is likely necessary, experts say. Some states have passed laws meant to curb surprise billing, and to protect patients from the costs — but those laws don't affect self-insured large employers, which fall under federal jurisdiction and affect more than 60 percent of people who get insurance through work.

The presidential bully pulpit could be hugely influential — in particular, Ginsburg suggested, by "leaning on Congress" to bring legislation to Trump's desk. And new legislation probably is the most effective vehicle, health policy experts said. It's unclear whether or what kind of executive action HHS could take without Congress.

"Some creative lawyers could come up with creative interpretations [of existing laws] and lead to smart policy," said Barak Richman, a Duke University law school professor who focuses on health policy. But re-interpreting federal law would almost certainly invite legal challenges, he added.

Already, competing industry groups are lobbying to put their stamp on any federal policy. The emergency physicians' trade group has backed an approach like Hassan's, while the insurance lobby is calling for a Cassidy-style bill. When asked about the industry's response, Hassan said she has gotten "a variety of feedback — as you would expect."

NCDS Perspective: There are so many variables to factor into how this has come to be a problem affecting not only patients but providers too. First there are the insurance companies who cover less services, require more prior authorizations and/or have become more selective in how many providers they enroll per specialty or plans and what they reimburse per service. Next there are the patients who often don't know what their plan covers or doesn't cover, if they have a deductible and what providers they should see. Finally there are providers who are subject to a lengthy enrollment process, sub-par reimbursement, and outdated demographic information from facilities. Holding insurances accountable for reimbursing rendered services, increasing patient education and improving the provider enrollment process would go a long way for this legislation. This idea proposes a 'fix' on a very broad issue and it will be interesting to follow the proposals as they develop into what will become future legislation.

For the full article please visit: https://khn.org/news/ideas-to-curb-surprise-medical-bills-percolate-with-rare-bipartisan-push/

Hospitals, Not Physicians, Driving Up Healthcare Costs for Privately Insured, Study Shows

Kelly Gooch – BeckersHospitalReview.com

Hospital prices are a bigger driver of healthcare spending growth for the privately insured than physician prices, a study published in *Health Affairs* suggests.

For the study, researchers examined Health Care Cost Institute data that included claims for privately insured people with health plans from Aetna, Humana and UnitedHealthcare.

They used this data — as well as American Hospital Association data and data on insurance coverage from the HealthLeaders-InterStudy database — to look at growth in hospital and physician prices using negotiated prices paid by insurers.

Researchers examined claims for inpatient care, outpatient care and four high-volume services: cesarean section, vaginal delivery, hospital-based outpatient colonoscopy and knee replacement.

The study found that hospital prices grew much faster than physician prices from 2007 to 2014. Hospital prices for inpatient care climbed 42 percent compared to 18 percent for physician prices. Additionally, hospital prices for hospital-based outpatient care rose 25 percent compared to 6 percent for physician prices, according to the study.

Researchers attributed the majority of the growth in payments for inpatient and hospital-based outpatient care to growth in hospital prices, rather than physician prices.

"Our work suggests that efforts to reduce healthcare spending should be primarily focused on addressing growth in hospital rather than physician prices," the study authors concluded. "Policy makers should consider a range of options to address hospital price growth, including antitrust enforcement, administered pricing, the use of reference pricing, and incentivizing referring physicians to make more cost-efficient referrals."

https://www.beckershospitalreview.com/finance/hospital-prices-not-physician-prices-driving-up-healthcare-costs-for-privately-insured-study-shows.html?origin=bhre&utm_source=bhre

Ohio Department of Medicaid – Prior Authorization Updates

The Ohio Department of Medicaid has updated their provider prior authorization requirements. The link below outlines these updates as well as for Managed Care/MyCare organizations. Many services require prior authorization to facilitate payment and they have convenient spreadsheets downloads available to determine which codes you bill require these prior authorizations. Please review this list of updates, as it contains helpful 'how to' guides and troubleshooting information. We recommend bookmarking the link for easy access!

Ohio Department of Medicaid

https://medicaid.ohio.gov/Provider/PriorAuthorizationRequirements

Patients Are Turning to GoFundMe to Fill Health Insurance Gaps

NPR.org

Tammy Fox wanted to help, after a friend took ill with a rare and difficult-to-diagnose autoimmune disorder that required many trips to the Mayo Clinic. While Fox couldn't do anything medically, she knew there was a way to ease some of the burden of medical bills and costs associated with doctor visits. She turned to the website GoFundMe and set up a site for her friend. "You've got meals; you've got hotel stays, gas. So that all needed to be covered."

Contributions came in from strangers, notes Fox, who lives in suburban Minneapolis. "It's crazy cool how awesome people are and what they're willing to give. People, when they come together, can just move mountains — and I think that's awesome to see."

GoFundMe, the largest online, crowdsourced fundraising platform, says contributors have raised more than $5 billion, all told, from 50 million donations in the eight years it has been in business. Setting up a GoFundMe page has also become a go-to way for people in need of help to pay their doctors and other health providers. Medical fundraisers now account for 1 in 3 of the website's campaigns, and they bring in more money than any other GoFundMe category, says GoFundMe CEO Rob Solomon.

"In the old paradigm you would give $20 to somebody who needed help," Solomon says. "In the new paradigm, you'll give $20, you'll share that and that could turn into 10, 20, 50 or 100 people doing that. So, the $20 could turn into hundreds, if not thousands, of dollars."

Stories of tragic illness and financial hardship — all of them with pictures of those suffering — are easy to find in GoFundMe's medical section. One such case is musician Carolyn Deal, from Marshall, N.C., who lost nearly all her hearing after a traumatic brain injury. Deal has raised nearly $25,000 for alternative treatments and procedures she would like to try that her health insurance won't cover.

Americans' confidence that they can afford health care is slipping, says Sara Collins, an economist at the Commonwealth Fund who studies American health care concerns. Even for conventional treatments that are covered under most health plans, the copays and high deductibles have left many people with health insurance they can't afford to use. Her organization recently surveyed working-age Americans, asking whether they felt they had the ability to pay an unexpected medical bill of $1,000 in 30 days. Nearly half said no.

"We find that underinsured people are nearly as likely to report problems paying their medical bills as people who don't have any insurance," she says. "And they also report not getting needed health care at rates that are nearly as high as those who are uninsured."

So it shouldn't be surprising that people are raising funds through crowdsourcing, Collins says. "But it really should be a deep concern for policymakers and providers." Solomon says there are challenges with how health insurance works and how people are covered. "There's just a lot of cost associated with the medical space, and it has become a very important category on GoFundMe," he says.

Until about a year ago, GoFundMe kept 5 percent of fundraising proceeds in addition to collecting a nearly 3 percent credit card processing fee. It still charges the credit card fee but no longer collects the 5 percent surcharge.

https://www.npr.org/sections/health-shots/2018/12/27/633979867/patients-are-turning-to-gofundme-to-fill-health-insurance-gaps

Baylor Scott & White, Memorial Hermann End Merger Talks

Ayla Ellison – BeckersHospitalReview.com

Dallas-based Baylor Scott & White Health and Houston-based Memorial Hermann Health System have decided to discontinue merger discussions roughly four months after signing a letter of intent to combine their organizations.

"After months of thoughtful exploration, we have decided to discontinue talks of a merger between our two systems," the systems said in a joint statement. "Ultimately, we have concluded that as strong, successful organizations, we are capable of achieving our visions for the future without merging at this time." They did not cite a specific reason for ending merger talks.

"We have a tremendous amount of respect for each other and remain committed to strengthening our communities, advancing the health of Texans and transforming the delivery of care," the systems said. "We will continue to seek opportunities for collaboration as two forward-thinking, mission-driven organizations."

The combined system would have included 68 hospitals, about 15 percent of the total hospitals in Texas, according to *The Dallas Morning News*.

https://www.beckershospitalreview.com/hospital-transactions-and-valuation/baylor-scott-white-memorial-hermann-end-merger-talks.html?origin=bhre&utm_source=bhre

Patients with Primary Care Doctors Receive More High-Value Healthcare, Study Finds

Jeff Lagasse – HealthcareFinanceNews.com

The U.S. healthcare system is generally centered around hospitals and specialty care. But the value of primary care has remained somewhat unclear, in part due to limited research.

A new Northwestern Medicine study directly compared the quality and experience of outpatient care between adults with or without primary care.

It found that Americans with primary care received significantly more high-value healthcare -- such as recommended cancer screenings and flu shots -- and reported better patient experience and overall healthcare access, compared to those who don't have a primary care physician.

To determine if the study participants had primary care, the researchers asked them to provide the name of a physician to whom they "usually go if (they) are sick or need advice about health." If they were able to identify such a physician who practiced outside of the emergency department, they were considered to have a "usual source of care."

The participants also needed to answer "yes" to receiving the four "C's" of primary care: first contact (regarding new health problems); comprehensive care (preventative care such as general checkups and immunizations); continuous care; and coordinated care (involving referrals to other health professionals when needed).

The investigators found that even though all respondents received a similar amount of care, Americans with primary care received significantly more "high-value" services, such as recommended cancer screenings, diagnostic and preventive testing, diabetes care and counseling.

https://www.healthcarefinancenews.com/news/patients-primary-care-doctors-receive-more-high-value-healthcare-study-finds

Hospitals Must Now List Their Prices, But Shopping Around May Be Confusing

Brett Sholtis – TransformingHealth.org

Imagine falling on the sidewalk. You think you might have broken a rib, and you want to know what a chest X-ray costs at an emergency department near where you live in Harrisburg.

Under a recent federal rule from Centers for Medicaid and Medicare Services, hospitals are required to post their price lists online.

Hoping to learn who might offer the lowest price, you run searches at four nearby hospitals using the newly available data. Just to be safe, you search for "X-ray," "xray" and "X ray."

That's when you find out that comparing prices isn't going to be as easy as it sounds. Here's what the search returns:

- UPMC Pinnacle Harrisburg's spreadsheet lists "XRAY CHEST 2 VIEWS" for $185. It also lists "X-RAY EXAM; CHEST 1 VIEW" for the same price.
- A search on Penn State Hershey Medical Center's online tool yields dozens of entries, including four that begin "CH X-RAY," with prices ranging from $576 to $7,441.
- Penn-affiliated Lancaster General Hospital's spreadsheet offers something called "HC XRAY GUIDANCE" for $446. It shows no listings for chest X-rays, though.
- WellSpan York Hospital's spreadsheet doesn't yield any listings.

Maybe you think to broaden your search with the term "radiology," which is the name for the department where you'd get an X-ray, or "fluoroscopy," which is a procedure that uses X-rays to get moving images. At this point, though, all but the most dogged of consumers might have abandoned this effort.

U.S. Health and Human Services Secretary Alex Azar has said the the newly public data will help consumers shop around for health care and will increase competition among health systems.

However, early reports indicate the price lists are virtually incomprehensible to people shopping for competitive prices. In part, that's because the lists are what industry professionals call "chargemasters," which hospitals use to negotiate with insurers and are typically higher than what a patient pays.

While the new data may not have immediate value to consumers, it is shaking up the health care industry and stoking discussion around price transparency in a way that some say could ultimately drive down costs.

People trying to get an estimated cost for a health care procedure are better off contacting pricing experts at the hospital, said Dan Angel, Penn State Health's vice president of revenue cycle.

"We really don't feel that the raw data about the charges are going to be very useful to the health care consumer, and in fact, that may be downright confusing in some cases, because, again, these are the standard charges, and frankly, there's no standard patient," Angel said.

When a person goes to the hospital for treatment, the services and procedures they get will be based on their individual needs, said Jolene Calla, vice president of health care finance and insurance at Hospital and Health System Association of Pennsylvania. Someone who isn't a medical billing professional would have no idea what services would be bundled together on a bill.

For the complete article please visit: http://www.transforminghealth.org/stories/2019/01/hospitals-now-must-list-their-prices-but-shopping-around-may-be-confusing.php

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