

HB 193: A patient protection bill

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Alaska Chapter of the
American College of Emergency Physicians (ACEP)

ASK ONE
QUESTION:

RIGHT FOR
THE PATIENT?



An Act Relating to Emergency Service and Balance
Billing

=

End the Surprise Insurance Gap during a
Medical Emergency

A Patient Experience



A team for you!



EMS

Bills

Emergency Physician #1

Hospital #1

Radiologist #1

Hospital #2

Emergency Physician #2

Surgeon

Hospitalist

Anesthesiologist

Radiologist #2

Medication

Laboratory work

44% of people reported that they didn't seek treatment when they were sick or injured because of costs

35% of Americans would have trouble paying their regular bills if faced with a \$400 health emergency

Medical bills are the number one reason for bankruptcy in this country

<http://www.healthcarefinancenews.com/news/healthcare-spending-and-costs-rise-many-americans-are-going-without-necessary-medical-care>

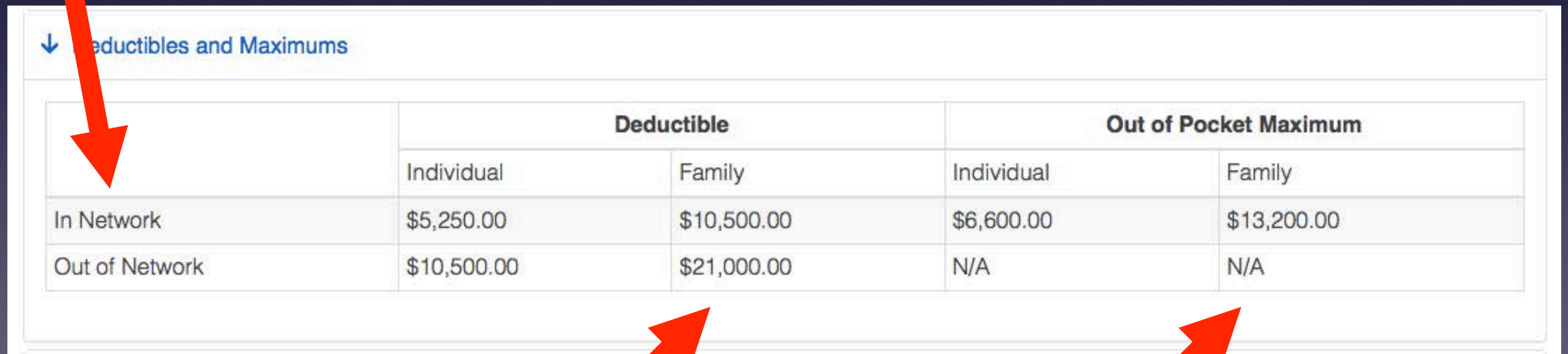
<https://www.nasdaq.com/press-release/patient-payment-responsibility-increases-11-in-2017-20180305-00308>

<https://www.fool.com/retirement/2017/05/01/this-is-the-no-1-reason-americans-file-for-bankrup.aspx>

“But I have Health Insurance”

This is a bronze ACA plan in Alaska today

Pay \$21,000 a year (\$1750 a month) for my family of four



A screenshot of a health insurance plan details page. At the top, there is a blue header with a downward arrow and the text 'Deductibles and Maximums'. Below this is a table with five columns. The first column lists the service type ('In Network' and 'Out of Network'). The next two columns are grouped under the heading 'Deductible' and are labeled 'Individual' and 'Family'. The final two columns are grouped under the heading 'Out of Pocket Maximum' and are also labeled 'Individual' and 'Family'. The table shows that for 'In Network' services, the deductible is \$5,250.00 for individuals and \$10,500.00 for families, while the out-of-pocket maximum is \$6,600.00 for individuals and \$13,200.00 for families. For 'Out of Network' services, the deductible is \$10,500.00 for individuals and \$21,000.00 for families, and the out-of-pocket maximum is 'N/A' for both. Three red arrows are overlaid on the image: one points from the top left to the 'In Network' row, another points from the bottom center to the '\$21,000.00' value, and a third points from the bottom right to the 'N/A' value.

	Deductible		Out of Pocket Maximum	
	Individual	Family	Individual	Family
In Network	\$5,250.00	\$10,500.00	\$6,600.00	\$13,200.00
Out of Network	\$10,500.00	\$21,000.00	N/A	N/A

Case #1
in-network

\$100,000
Total

Deductible
\$10,500

Insurance Pays
\$89,500

← Insurance gap #1
\$10,500
With a \$13,200 max

Insurance pays the
majority of the bills

Out of Network

EMS

Emergency Physician #1

Hospital #1

Radiologist #1

Hospital #2

Emergency Physician #2

Surgeon

Hospitalist

Anesthesiologist

Radiologist #2

Medication

Laboratory work

WHAT YOU **THINK** YOUR INSURANCE COMPANY COVERS



When you walk into your in-network hospital, you expect all doctors to be covered.

WHAT YOUR INSURANCE COMPANY **ACTUALLY** COVERS



Insurance companies have narrowed their networks, leaving some doctors out-of-network.

Physicians want to be in-network

We chose medicine to care for patients

Often times insurance companies will not allow us to be in-network or at such low rates we can not keep the doors open

A 2015 study found that 50% of Alaska marketplace plans offer narrow networks, leaving patients with few in-network choices, and exposing them to surprise bills

<http://ldi.upenn.edu/sites/default/files/rte/state-narrow-networks.pdf>

Case #2
out of
network

\$100,000
Total

\$50,000
out of network

Deductible
\$21,000

Insurance Pays
\$29,000

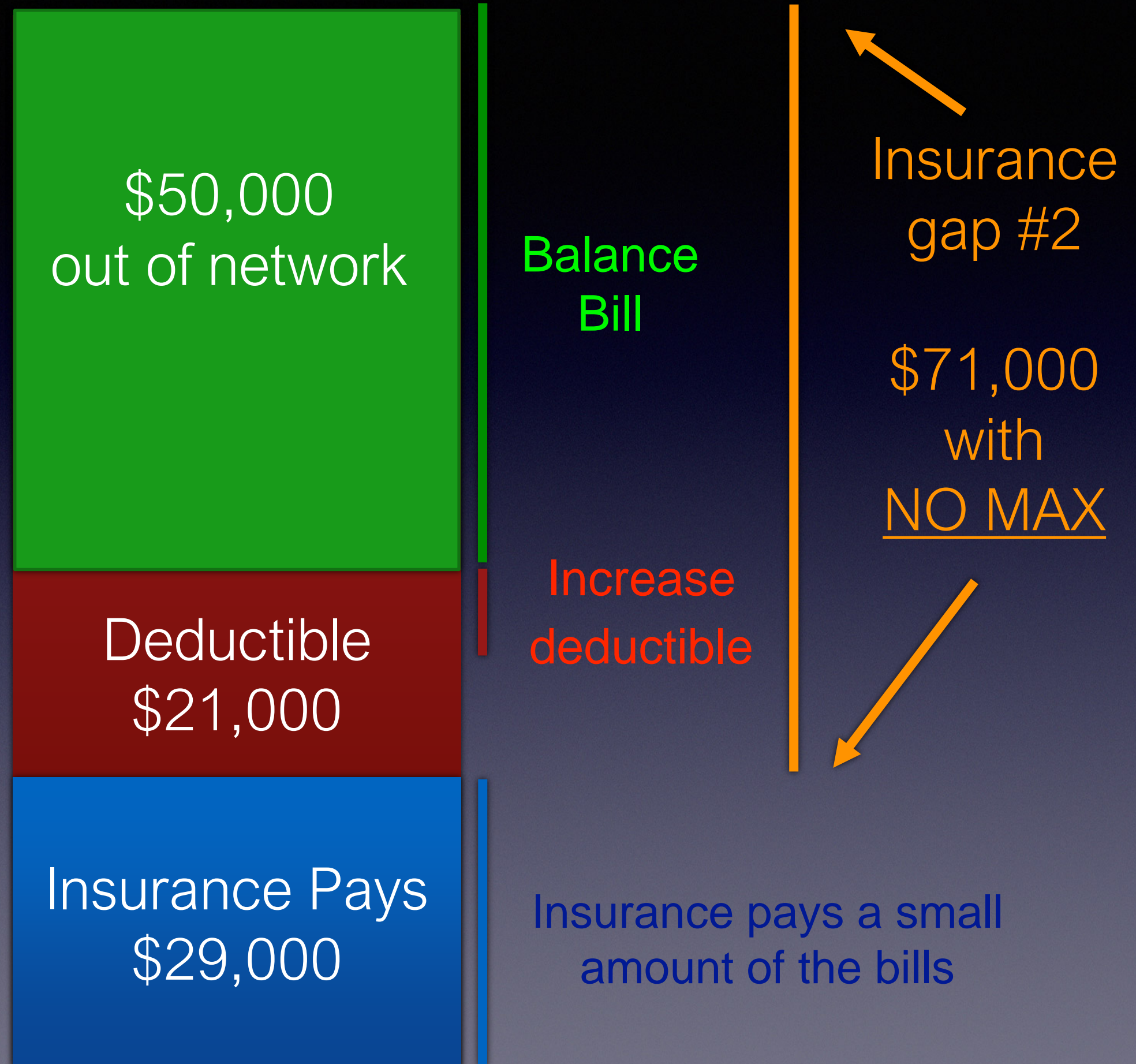
Balance
Bill

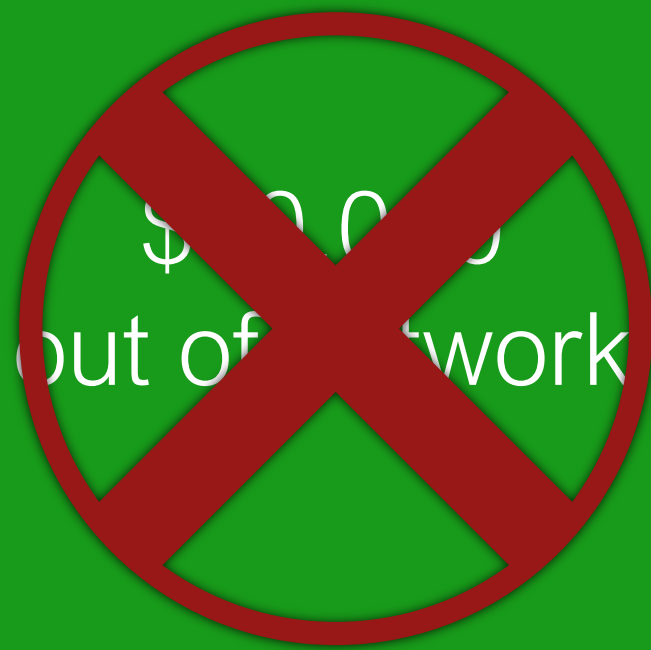
Increase
deductible

Insurance pays a small
amount of the bills

Insurance
gap #2

\$71,000
with
NO MAX





Deductible
\$21,000

Insurance Pays
\$29,000



Ban on Balance Billing

Ending the “surprise
insurance gap”



Protecting the Patient

A Providers Perspective - Keeping a Safety Net

Three options for staying in business:

1. Limit  who I see

2. Fair in network reimbursement

3. Bill the  patient

EMTALA Law = legally & ethically requires we see every patient, medical screen and stabilize

Fair out of network
reimbursement helps
promote in network
participation

To preserve a safety net they
must be two things:

1. Be Geographically
Relevant
2. Based on not-for profit,
independent transparent
database not controlled by
industries



Part #1: Geographically Relevant

Alaska and the 80th Percentile Regulation: Myths and Reality



A lot of noise with out a lot of fact



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An obscure rule may be driving up Alaska health care costs

By Annie Feidt, Alaska's Energy Desk - Anchorage - January 15, 2016



By Annie Feidt, Alaska's Energy Desk - Anchorage



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Opinions

The moment has probably passed for Alaska health care reform. The future is here.

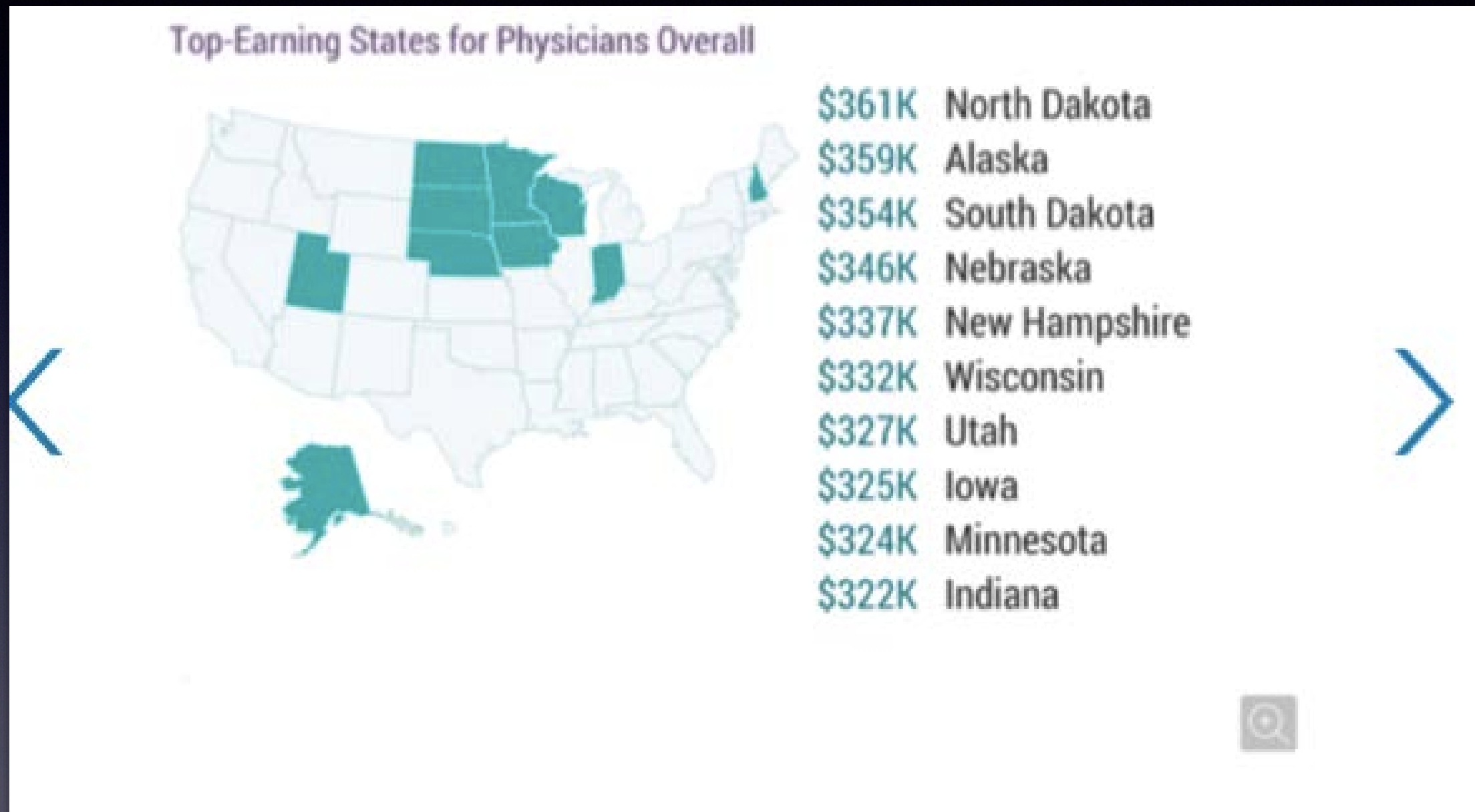
Author: Charles Wohlforth | Opinion Updated: March 25 Published March 25

Alaska is expensive but not the most expensive

Location	Health Spending per Capita
1. District of Columbia	\$11,944
2. Alaska	\$11,064
3. Massachusetts	\$10,559
4. Delaware	\$10,254
5. Vermont	\$10,190
6. Connecticut	\$9,859
7. North Dakota	\$9,851
8. New York	\$9,778
9. New Hampshire	\$9,589
10. Rhode Island	\$9,551

<https://www.kff.org/other/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

Rural states pay more for physicians

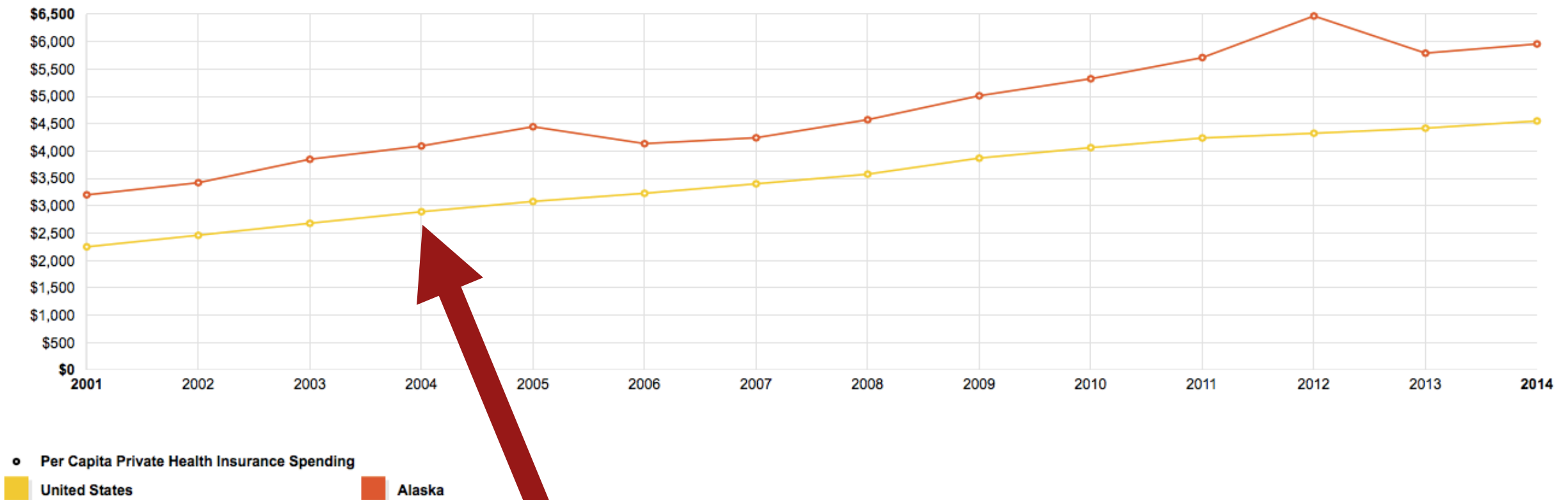


The 80th percentile rule did not change the Alaska per capita private health insurance spending curve



Private Health Insurance Spending Per Capita by State | The Henry J. Kaiser Family Foundation

Timeframe: 2001 - 2014



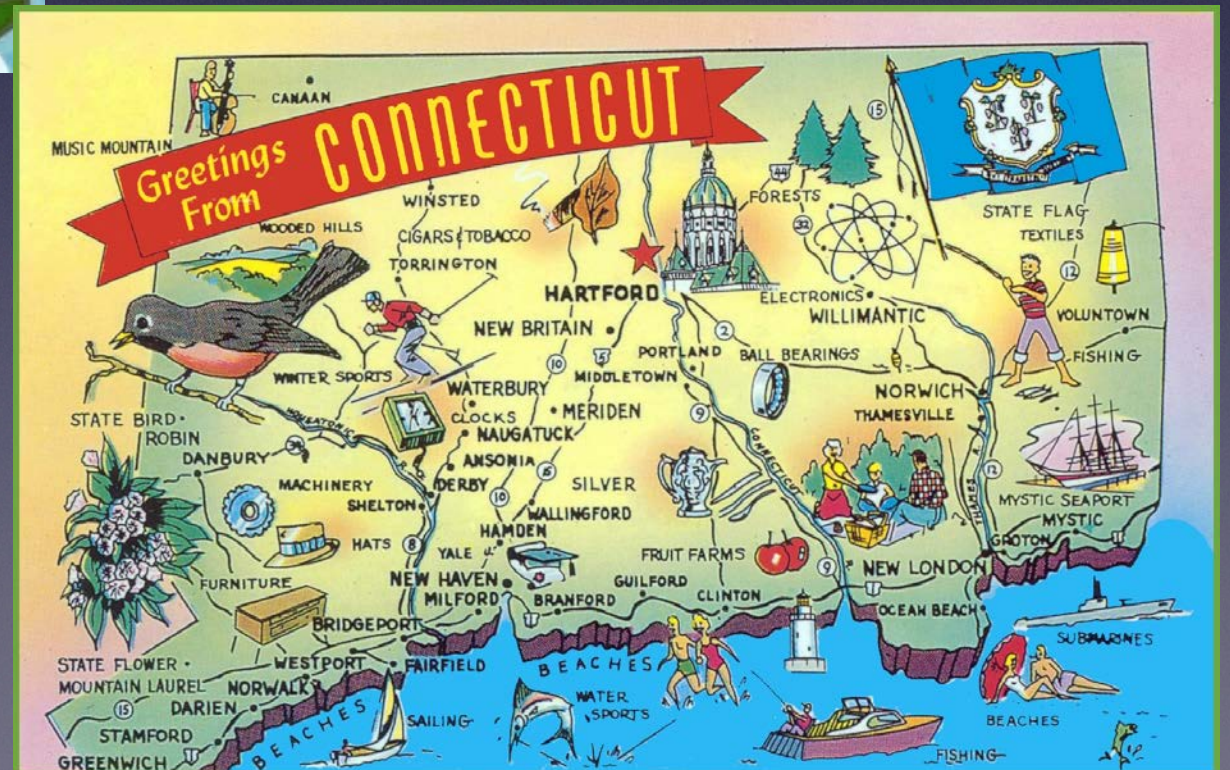
2004

ka is not the only state with an 80th percentile regulation or sta

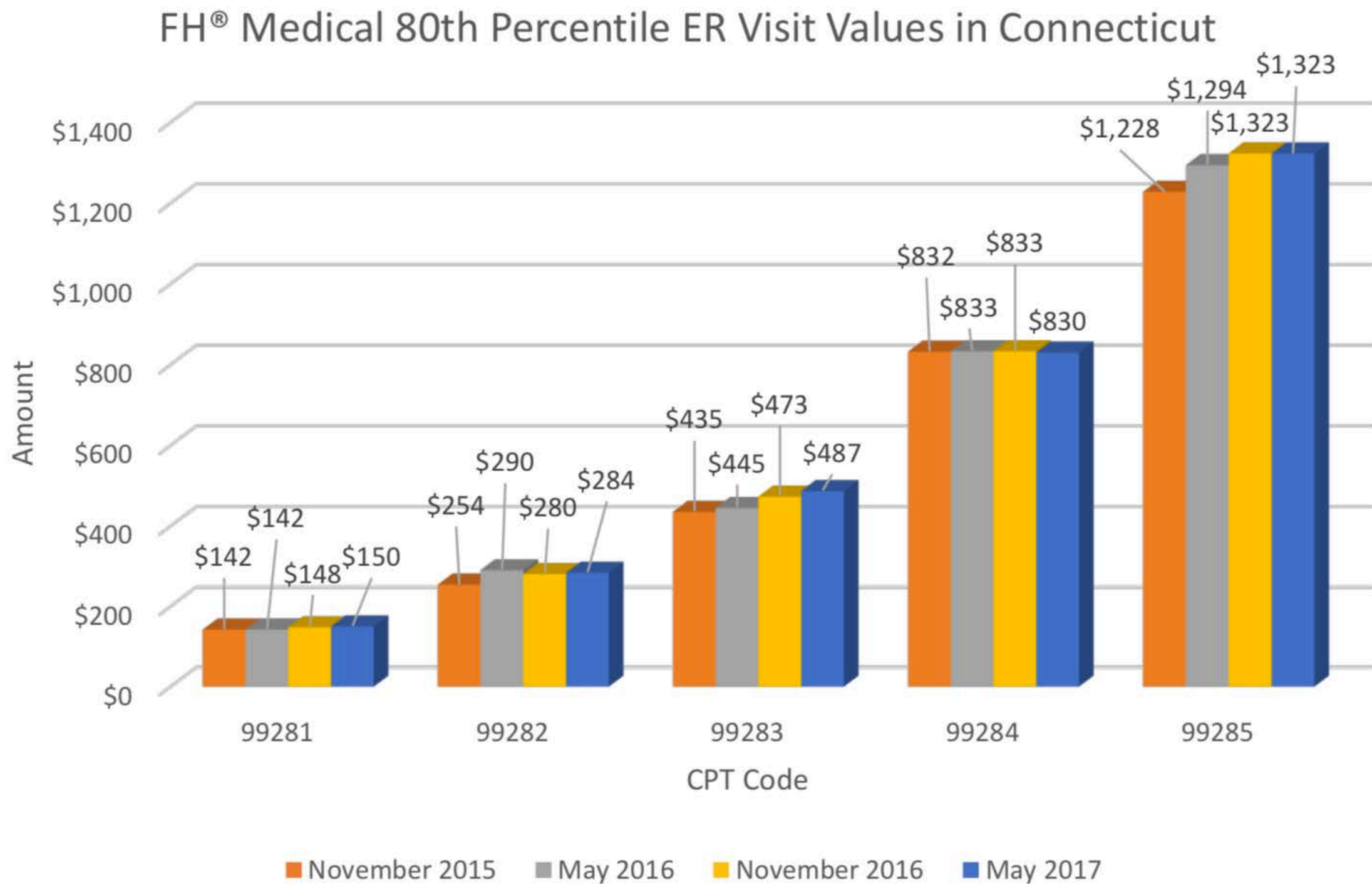


Both CT and NY in 2014 passed legislation that established the 80th percentile as a benchmark for payment with a ban on balance billing

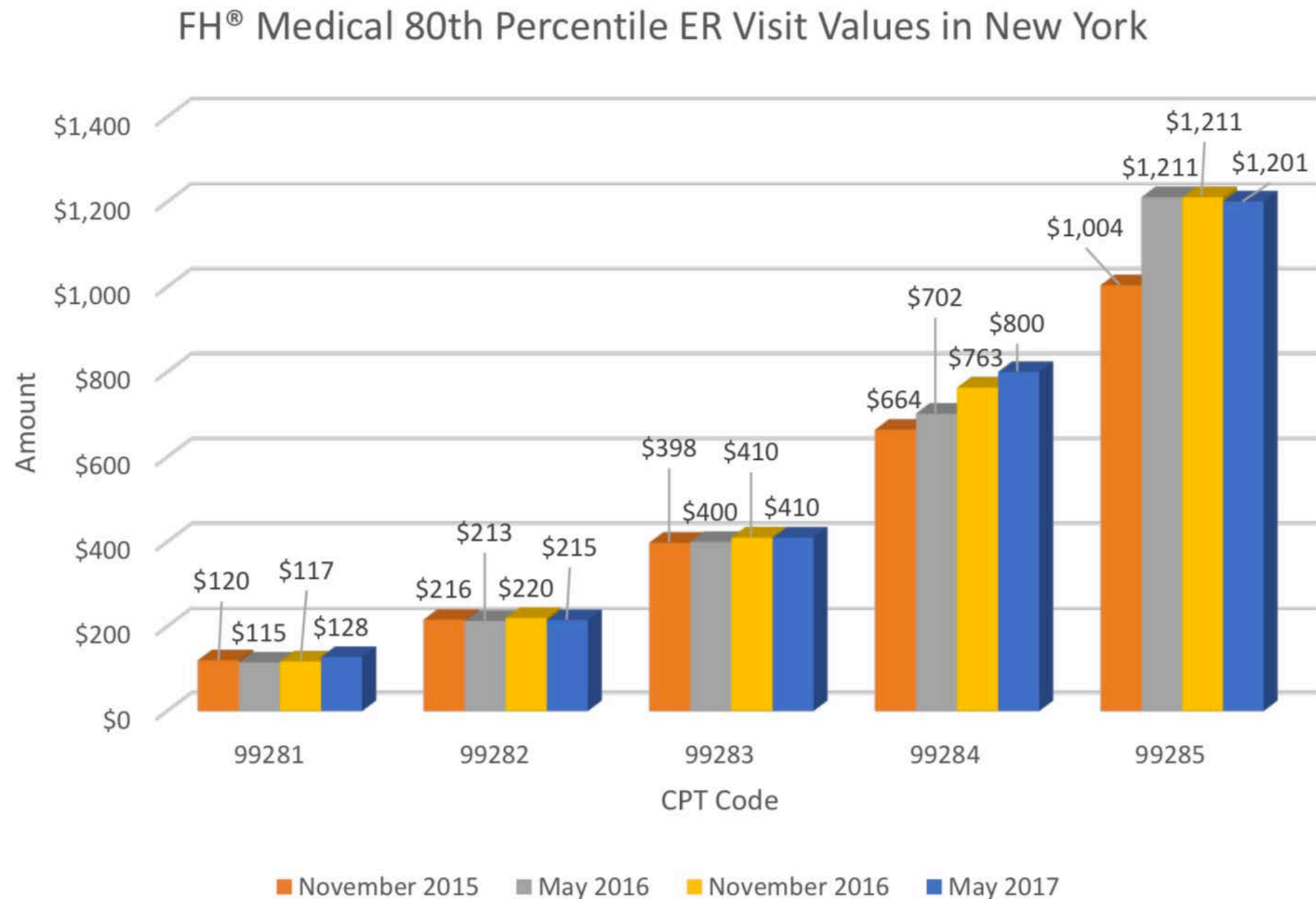
Many other states are considering similar patient protection measures



No increase in charges after then 80th in Connecticut



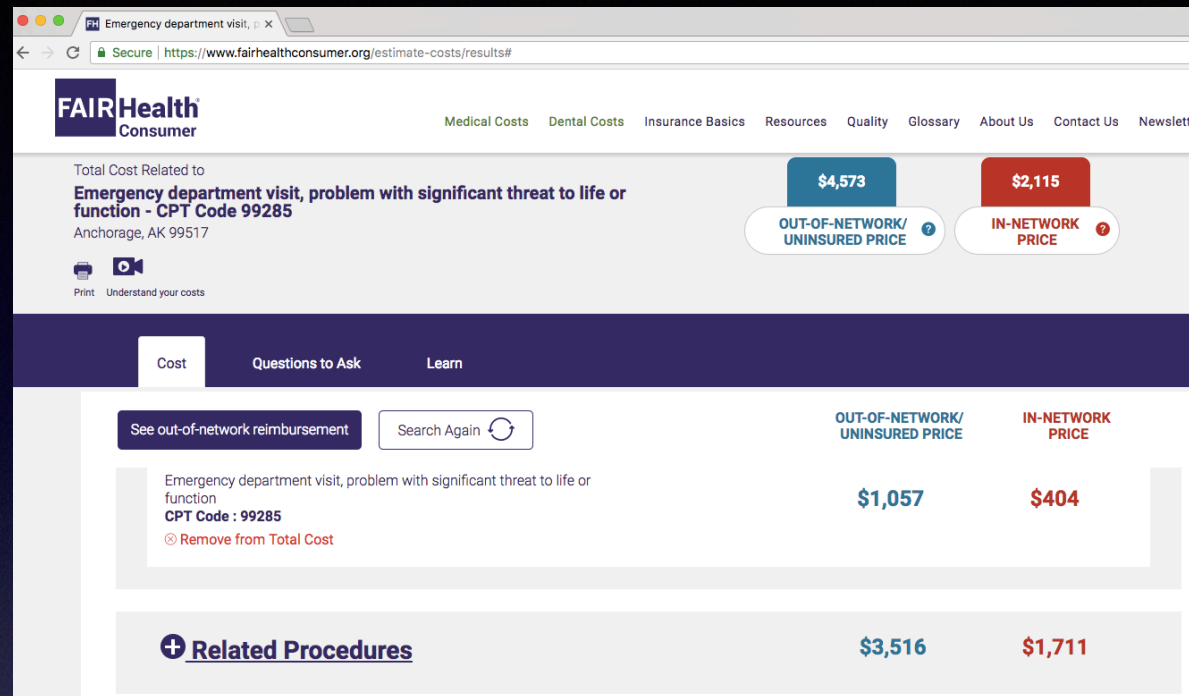
No increase in charges after then 80th in New York



HB 193 uses 2017 National Insurance Commissioners model legislation regarding out-of-net work balance billing stated as a guide :

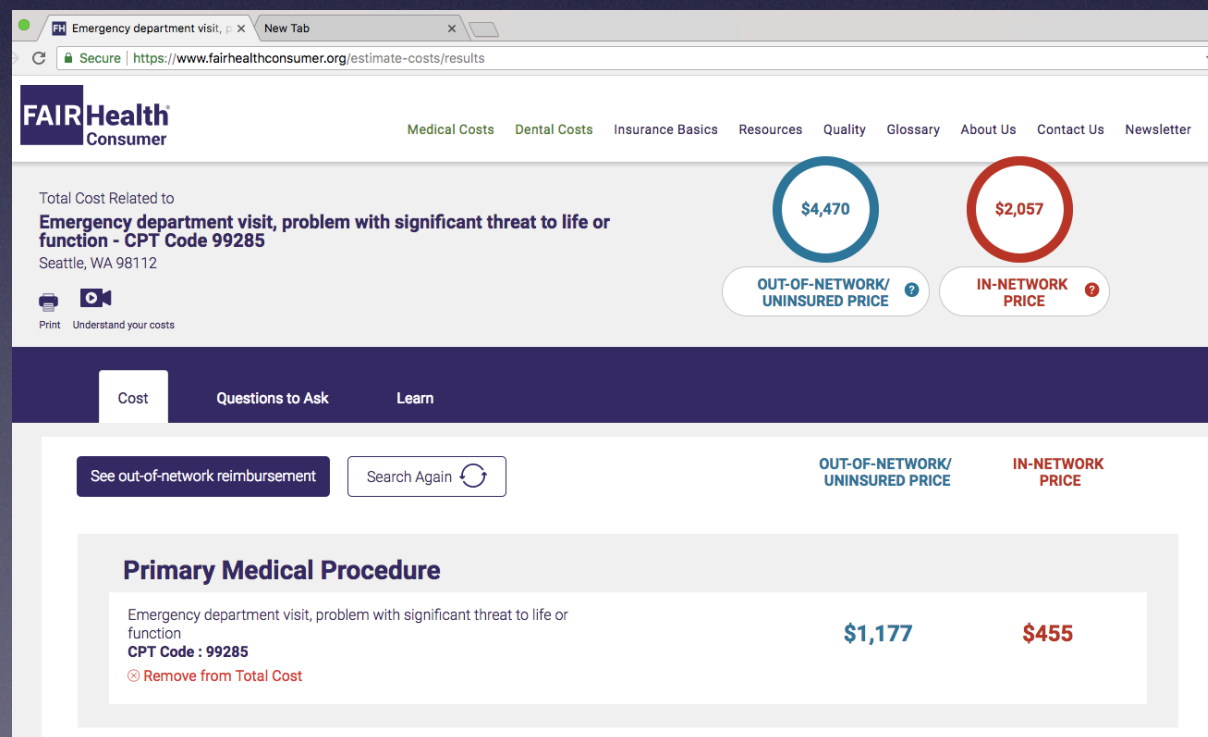
A. For the purposes of this subsection, "usual and customary cost" shall mean the **eightieth percentile** of all charges for the particular health care service performed by a provider in the same or similar specialty and provided in the **same geographical area** as reported in a benchmarking database maintained by a **nonprofit organization** specified by the commissioner. The nonprofit organization shall not be affiliated with a carrier.

Emergency cost are already the same or less than our neighbors



Anchorage for a
99285 code (most complex) :

Out of Network: \$1057
In network: \$404

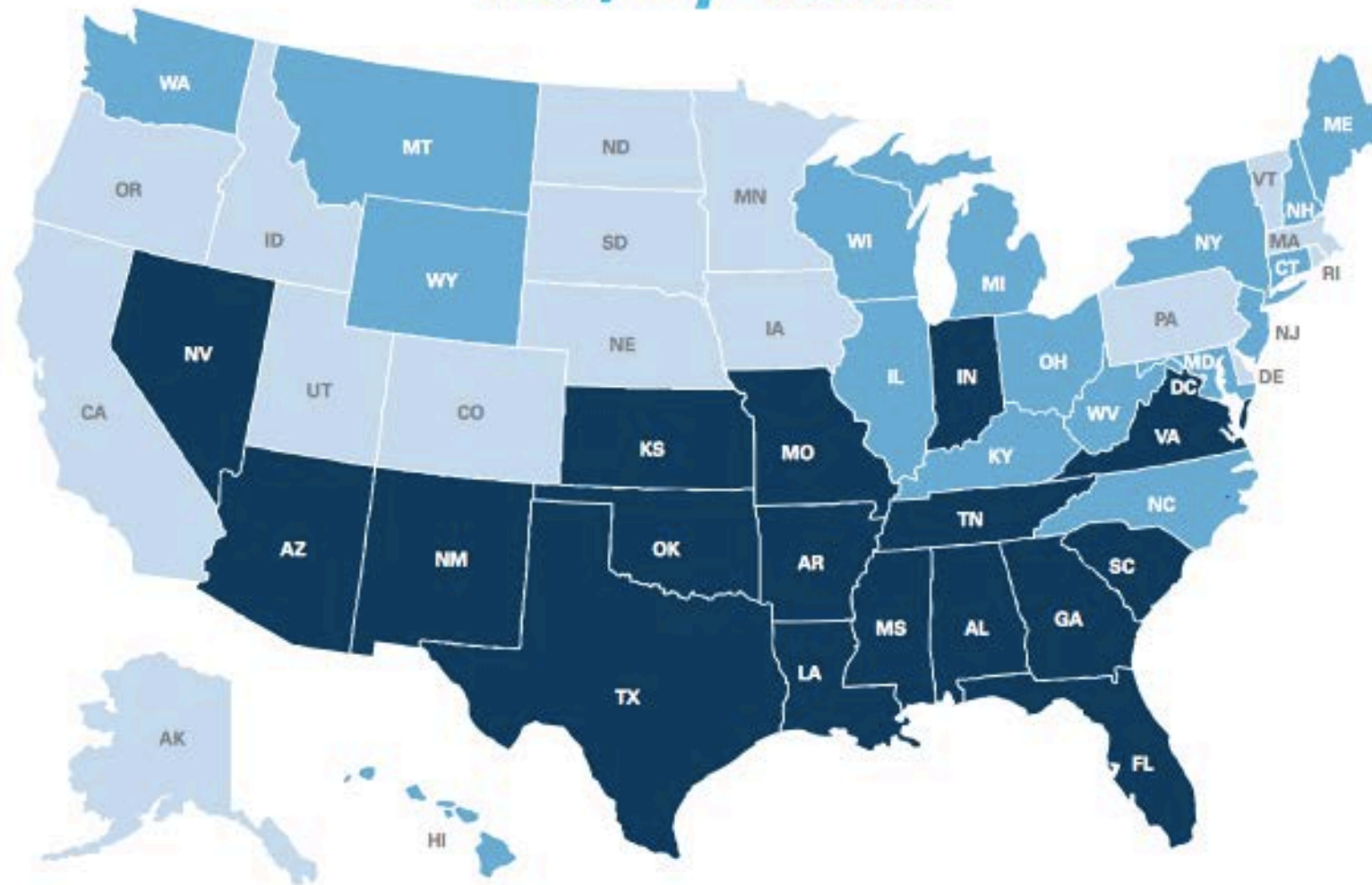


Seattle for a
99285 code (most complex) :

Out of Network: \$1177
In-network \$455

<https://www.fairhealthconsumer.org>

Emergency Department Visit, High Severity (Evaluation and Management), Average Charge as Percent of Medicare Fee, By State



Average Charge-to-Medicare Fee

228-422% 428-508% 516-749%

80th percentile is a Patient Protection Issue:

It is not about how much doctors make:

It is about who pays the bill:

**The patient who has already paid for
insurance**

or

The insurance company

Part #2: Based on not-for-profit, independent, transparent database not controlled by industries

“The one organization that was the most enthusiastic about making these data available in a transparent manner, that also best satisfies the evaluation criteria laid out easier in this report, is also the organization that owns the most current, comprehensive and transparent database - **FAIR HEALTH**”

- NORC report, funded by CMS, 2014

“Health Care is Complicated”

The goal is a healthy a population at a
cost we can afford

1. Geographically Relevant
2. Transparent Objective Data
3. Puts the patients health interest first

HB 193 is a compromise that will Protect Alaska Patients

- **HB 193 ends surprise bills.** HB 193 will ban balance billing for unexpected out-of-network care. There will be no more surprise medical bills for patients and physicians will be fairly reimbursed by insurers.
- **HB 193 protects patients from high costs.** Under HB 193, insurers are required to pay for unexpected out-of-network care, reducing patient financial exposure to bills their insurance companies currently refuse to pay.
- **HB 193 maintains access to care.** The bill helps ensure that patients can safely and easily access the care they need in an emergency. And, because insurance companies will compensate physicians fairly, emergency systems will be able to keep sub-specialists on call for emergency care.

After all, what good is health insurance if it fails us in an emergency?

Please support HB 193

In doing so, you support Alaska patients and the safety net to care for them when an emergency arises