



Piles of Medical Bills

Most of my recent clients came to me with a big pile of medical bills. These are a combination of things, such families with too many bills, or a person recovering from a major illness. In either scenario it is hard to get a handle on a big pile. One has to organize and understand each bill. Then need to be able to match it up with insurance payments, or denials. Neither hospitals or doctors, nor insurance companies make it easy to sort through it all. Hospital and doctor statements are different based on the software they use to generate those statements.

Even when a bill looks right it could have an old code, a missing digit, or missing some other necessary information, which gives the insurance companies reasons to deny paying it.

Most states require insurance companies to pay a "clean claim" in 45 days. The problem is that people are not trained in medical billing. They simply don't know if their claim is clean. So, the claims mailed to the insurance company, and many of them deemed "not clean". Some of these will generate a letter, often to the provider, and request additional

information. If response not received in 45 days the claim drops. Others may get lost in the imaging department, transferred to the "appropriate" department, or they simply disappear. The proper terminology for disappeared claims is "lost in the black hole".

If the medical bill is actually processed by the insurance company, with a few exceptions, the processed claim is just as confusing as the one from the medical community. They assign explanations that most people have difficulty understanding.

My recent professional annoyance is coming from Cigna. Their letter states that they are protecting the patient privacy. Instead of an explanation of what they need on what claim, they simply send a cover letter providing no helpful information whatsoever. Unfortunately the pages contain only about a half page of "x", then an additional page informing about the rights to receive the same in a different language. Thank you Cigna, but I would prefer to get information in letters with words in it, so I am able to decipher, preferably in English. If Cigna so desire, they could send them to me in Hungarian.

Quote of the Quarter

"I think any time you're implementing something big [like the exchanges], there are going to be people who are nervous and anxious about 'is it going to get done?' until it's actually done.... And there'll be stories that can be written that say, 'Oh, look, this thing's — you know — not working the way it's supposed to, and this happened and that happened.' And that's pretty much true of every government program that's ever been set up."

— President Obama, answering questions about the launch of exchanges at an April 30 press conference.

Mandated Employer Insurance Delay

In early July the Obama administration announced a one year delay in the implementation of the employer mandate to provide health insurance for employees with a workforce of 51 or more full time employees. The law specify full time as 30 hours per week minimum. This is one of the major provision of the Patient Protection and Affordability Care Act, that was scheduled to take effect in 2014. It would have complemented the Insurance Exchanges and would have provided less demand on the open marketplace.

One can only guess what is the real reason for the delay, but the official

version explains that the Obama administration needs more time to simplify reporting requirements.

While some business owners happy about the delay others have already embraced the mandate. One business owner view the mandate as overall increase in business expenses, while others see it as a good way to increase qualified workforce by providing company sponsored health insurance.

It is a bit frustrating to see that three years after the law was enacted we are still working and delaying parts of the implementation.

Medicare Late Enrollment

Medicare has rules for almost everything. This includes enrollment. Most people sign up when they turn 65 years of age. It is called a Regular Enrollment and you have 7 months to sign up (3 months prior to birth month, birth month, and 3 months after). If you miss your deadline you will fall into Late Enrollment. This carries a penalty and delay in enrollment. The penalty is 10 percent of the part B premium for each 12 months you did not enroll. The next enrollment period, named General Enrollment, is January 1st through March 31 the following year, but coverage will not go into effect until July 1st. This is a lifetime penalty, which must be paid as long as you are enrolled on Medicare.

Given that the prescription coverage is tied into Medicare part B enrollment you must pay a penalty when enrolling into a Medicare part D prescription plan. This penalty is 1% for each month a person was eligible to join. This penalty is calculated based on the national base beneficiary premium, which is \$31.17.

Of course there are other rules which excuse people from the late enrollment penalty. It is called a Special Enrollment and applies to people, and their spouses whom are still working and covered by a large employer insurance. More about Special Enrollment in my next newsletter.

Definitions:

PPACA: Patient Protection and Affordable Care Act

Medicare Enrollments: a number of set rules governing Medicare participation.

Digital Health Records

Digital health records have been implemented in most hospitals and large medical practices. There are a handful of medical software companies specializing in digital records. It is a 24.2 billion global industry. Unfortunately, these products are not regulated by the FDA or any other government agency. Effectively, errors created by computer based software does not require reporting.

This significant increase in the use of digital records is part of the push and incentives from the federal government under the Patient Protection and Affordability Care Act.

According to a study published, late last year, by the Pennsylvania Patient Safety Authority, the medical errors associated with electronic medical records are growing. In eight years 3,099 incidents were reported. In 2011 the number of incidents were 1,142. At the Children's Hospital of Pittsburgh mortality rate increased from 2.8 percent to 6.6 percent.

Electronic records are great tools for doctors to access and review patients history, but we need to ensure the integrity and accessibility of the information.

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Legal Issues or Who is in Trouble this Time? new

Won Suk Lee owned an acupuncture and massage service clinic in Huntington Park, a suburb of Los Angeles. Medicare does not cover acupuncture and/or massage therapy.

While treating Medicare patients Won Suk Lee had collected copies of their Medicare ID cards and personal and medical information. Then he provided his co-conspirators, the California Neuro-Rehabilitation

Institute Inc. (CNR), this data to bill Medicare for covered services.

CNR was a Medicare enrolled entity for physical therapy services. CNR then created false documentation and submitted false claims for services not received by Medicare patients.

CNR received about 1.2 million from Medicare on these fraudulent claims.