# Pennsylvania Academy of Family Physicians Foundation

# Pittsburgh CME Conference

# November 7 - 9, 2014

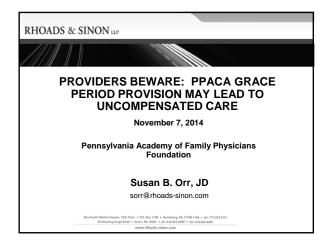
# Providers Beware: ACA Grace Period Provision May Lead to Uncompensated Care Susan Orr, Esq. Rhoads and Sinon, LLP, Exton, PA

# **Disclosures:**

Speaker has no disclosures and there are no conflicts of interest.

The speaker has attested that their presentation will be free of all commercial bias toward a specific company and its products.

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 Susan Orr, Esq., has no conflict of interest, financial agreement, or working affiliation with any group or organization.

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### **Grace Period Under the PPACA**

Enrollees\* in a "Qualified Health Plan" have a 3month Grace Period for non-payment of premiums before the enrollee is terminated from the plan.

Result: Places Providers at risk for uncompensated care

\*Enrollees who paid at least one month's premium in full.

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3-Month Grace Period						
Month 1 of Delinquency	Months 2 & 3 of Delinquency	After Month 3 of Delinquency				
Normal Payment to     Provider of Claims	Plan has the <u>Option</u> to pend claims until outstanding premium balance is paid	Enrollee is terminated from the Plan				
Month treated as if paid	<ul> <li>Providers who submit claims are <i>notified</i> of the potential for denied claims*</li> </ul>	All claims for services rendered after the last day of month 1 are denied				
No Provider Notification	If enrollee pays premium balance, providers' claims are paid	Plan sends refund requests to providers for any payments made during months 2 & 3				
		Providers can now seek     payment from patient				

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## What is a Qualified Health Plan?

- Qualified Health Plan (QHP): certified/recognized by an Exchange
- Applies only to QHPs purchased on the federal exchange (PA has no state exchange)
- Offered by Private Insurance Companies with which you already contract
- Cost of policy may be offset by financial assistance tax credits against premium – and for lower income patients – credit used to offset premiums

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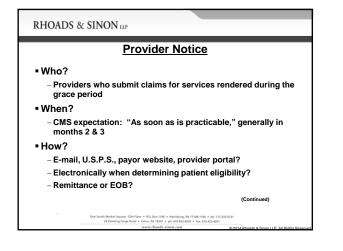
#### Pennsylvania Qualified Health Plans

- Blue Cross of Northeastern Pennsylvania
- BCBS Cooperative Plan
- Capital BlueCross
- Comprehensive Major Medical with \$750 deductible or
   Comprehensive Major Medical with \$1,500 deductible
- Highmark Blue Cross Blue Shield
  - Preferred Blue Individual PPO \$500 or \$1,000 Deductible
- Highmark Blue Shield
  - Classic Blue Comprehensive with \$1,000 deductible or
  - Classic Blue Comprehensive with \$1,500 deductible
- Independence Blue Cross
  - Personal Choice Basic II, Personal Choice Hospital Care 1

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### Provider Notice (continued)

#### What?

- -Purpose of the notice
- -Notice-unique ID #
- -Name of QHP and insurer
- -Name of patient and dependents affected
- -Explanation of grace period and dates
- Whether enrollee is in 2<sup>nd</sup> or 3<sup>rd</sup> month
- Consequences for you and patient when grace period expires
- Your options during and upon exhaustion of grace period
- –QHP customer service #

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#### What Steps Should You Take?

#### Contact issuer of QHP:

- How/when will they notify you when enrollee in grace period
- How about when the enrollee is removed from the grace period
- Will they pay or pend claims\*
- Will notice be provided upon pre-certifications/pre-authorizations
- Review Your Contract with Payors
  - Overpayment recoupment
  - Patient Rescheduling
  - On-going care post termination

\*Subject to PA Prompt Payment Law

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## RHOADS & SINON LP What Steps Should You Take?(continued) • Review Patient Mix - Determine exposure to bad debts and ↑ A/R • Discuss with Patient - Awareness of delinquency status - Inform patient of financial obligations - Financial agreements/payment plan - Access to care following termination • Track Grace Period - Document eligibility - Keep track of all communication with payor re: grace period

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