

Pennsylvania Academy of Family Physicians Foundation

## Pittsburgh CME Conference

November 7 - 9, 2014

**Providers Beware: ACA Grace Period Provision May Lead to Uncompensated Care**

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**Disclosures:**

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

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**PROVIDERS BEWARE: PPACA GRACE PERIOD PROVISION MAY LEAD TO UNCOMPENSATED CARE**

November 7, 2014

Pennsylvania Academy of Family Physicians Foundation

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**Disclosure**

- 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 3-month 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
<ul style="list-style-type: none"> <li>Normal Payment to Provider of Claims</li> </ul>	<ul style="list-style-type: none"> <li>Plan has the <u>Option</u> to pend claims until outstanding premium balance is paid</li> </ul>	<ul style="list-style-type: none"> <li>Enrollee is terminated from the Plan</li> </ul>
<ul style="list-style-type: none"> <li>Month treated as if paid</li> </ul>	<ul style="list-style-type: none"> <li>Providers who submit claims are <i>notified</i> of the potential for denied claims*</li> </ul>	<ul style="list-style-type: none"> <li>All claims for services rendered after the last day of month 1 are denied</li> </ul>
<ul style="list-style-type: none"> <li>No Provider Notification</li> </ul>	<ul style="list-style-type: none"> <li>If enrollee pays premium balance, providers' claims are paid</li> </ul>	<ul style="list-style-type: none"> <li>Plan sends refund requests to providers for any payments made during months 2 &amp; 3</li> </ul>
		<ul style="list-style-type: none"> <li>Providers can now seek payment from patient</li> </ul>

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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**

- **Who?**
  - Providers who submit claims for services rendered during the grace period
- **When?**
  - CMS expectation: “As soon as is practicable,” generally in months 2 & 3
- **How?**
  - E-mail, U.S.P.S., payor website, provider portal?
  - Electronically when determining patient eligibility?
  - Remittance or EOB?

(Continued)

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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

(continued)

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**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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**Questions?**



Questions?

Questions?

It is Question Time.

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