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PULSE

Paul Miller of AAHAM; ACA board member Jennifer Whipple, president of Collection Bureau Services; ACA board president Courtney Reynaud, president of Creditors Bureau USA; Shawn Stack of HFMA; Jack Brown III, president of Gulf Coast Collection Bureau Inc.; and ACA CEO Scott Purcell.

Meeting of the Minds on Health Care Collections

ACA hosted a health care collections panel on Capitol Hill in May, bringing together health care associations, congressional representatives and ARM industry professionals.

ACA International hosted a Health Care Receivables Briefing on Capitol Hill in May as part of the 2023 Washington Insights Fly-In, featuring representatives of health care associations speaking on a panel.

In addition to ACA members specializing in health care collections in the audience, staff from members of Congress in the Physician's Caucus also attended the event to hear industry insights and concerns.

ACA CEO Scott Purcell was joined by Shawn Stack, director of perspectives and analysis at the Healthcare Financial Management Association (HFMA), and Paul Miller, CEO of Miller/Wenhold Capitol Strategies LLC on behalf of the American Association of Healthcare Administrative Management (AAHAM), to discuss topics such as medical debt credit reporting, artificial intelligence in health care and patient communications.

"This discussion was part of ACA's continual efforts to work with trade associations in the health care industry and for our members serving health care clients with the goal to advance advocacy on health care medical debt credit reporting—ensuring any regulations take into account the impact on providers and patients," Purcell said.

Kicking off the panel discussion, Purcell shared that health care collections is approached with a problem-solving mindset by the accounts receivable management industry.

It's not about having the consumer pay unnecessarily, but rather figuring out where the payment responsibility lies when an account is sent from a health care provider to their third-party debt collection agency partners.

In light of the increased focus on health care collections and medical debt credit reporting, HFMA's role is to provide education, industry analyses and strategic guidance needed to address challenges within the U.S. health care system.

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For example, one of those challenges is the end of the COVID-19 public health emergency and how it will cause millions of people to move off of Medicaid coverage.

When those patients find other coverage, it's likely to be self-pay and come with high out-of-pocket costs, other than in the case of a medical emergency.

HFMA is working on educating all involved to ensure physicians and financial services providers helping patients are connected.

For AAHAM, which serves as a resource for information, education and advocacy for health care administrative management, a significant issue is finding solutions to the changes in medical debt credit reporting from the credit reporting agencies (CRAs).

Equifax, Experian and TransUnion are no longer including medical debt under at least $500 on consumers' credit reports, a change that will remove nearly 70% of medical debt in collections accounts from consumers' credit reports.

Effective July 1, 2022, the CRAs no longer include medical debt that was paid after it was sent to collections on consumer credit reports.

AAHAM has worked to help consumers and ensure health care providers will receive payments.

If that's not the case, the concern is health care providers could lose revenue, and the changes to medical debt credit reporting could ultimately harm consumers by reducing access to credit or medical services and increase costs.

ACA is focused on solutions involving stakeholders so that future decisions on medical debt credit reporting and related topics are not done in a vacuum.

From a member perspective, the focus is compassionate collections with consumers that allow all parties to find a workable solution to resolve consumers' accounts and for health care provider clients to have the revenues they are owed.

Additional topics discussed during the briefing included accuracy of medical bills through artificial intelligence, patient communications and requirements from the Consumer Financial Protection Bureau in Regulation F, and disputes under the No Surprises Act.

For additional information on ACA's health care advocacy, visit the online Advocacy Resource Center.

Biden–Harris Administration Announces Proposal to Advance Prescription Drug Transparency

The new HHS proposal would clarify prescription drug costs and save federal and state governments money in Medicaid funds.

Lowering the cost of prescription drugs in America has been a top focus for the Biden-Harris administration. Last month, President Biden released an executive order to reduce prescription medication costs for Americans in conjunction with the U.S. Department of Health and Human Services through the Centers for Medicare & Medicaid Services (CMS).

These initiatives aim to bring down prescription drug costs in Medicaid. The most recent Notice of Proposed Rulemaking (NPRM) from CMS would provide information on the true cost of medications covered by Medicaid. According to this plan, Medicaid would be better able to hold pharmaceutical companies responsible for the costs that Medicaid programs incur when purchasing pharmaceuticals.

"President Biden is not only committed to protecting Medicaid but continues to take bold actions to strengthen the program," said HHS Secretary Xavier Becerra. "With [this] proposed rule, we are advancing unprecedented efforts to increase transparency in prescription drug costs, being good stewards of the Medicaid program, and protecting its financial integrity. This proposed rule will save both states and the federal government money."

Following the establishment of the Medicare Prescription Drug Inflation Rebate Program, this new proposed regulation aims to enhance the Medicaid Drug Rebate Program. For the first time ever, pharma firms are now required to pay Medicare rebates as part of Biden's new prescription drug law when their prescription drug prices for some drugs climb faster than the rate of inflation for persons with Medicare.

"This proposed rule prioritizes CMS' role as a good steward of Medicaid dollars while also strengthening program integrity and the management of pharmacy benefits for people with Medicaid coverage," said CMS Administrator Chiquita Brooks-LaSure. "We're committed to preserving access to life-saving treatments and securing fiscal sustainability for the Medicaid program, which remains a lifeline for millions of people."

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NEWS & NOTES

Racial and Ethnic Health Inequities Led to $421B in Excess Spending

The economic cost of health disparities in 2018 ranged from $421 billion to $978 billion, indicating that additional funding is required to achieve health equity for underrepresented racial and ethnic groups as well as those with low levels of education, according to a study by JAMA.

Five racial and ethnic minority groups—American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander—as well as adults with less than a high school education, those with a high school diploma or general educational development (GED) credit, and those with some college or an associate degree, were assessed in the JAMA study to determine the economic burden of health inequities.

These people frequently encounter obstacles accessing health care, work, education, and transportation, which has a negative impact on their health.

Two-thirds of the economic burden among racial and ethnic minorities was attributed to premature death, 18% to excessive medical care expenses, and 14% to lost labor market productivity. More than half of the economic burden for White people was caused by excess premature death.

Read the report here.

Eye Specialists Pay $17M to Resolve False Claims Act Violations

To satisfy claims that they broke the Anti-Kickback Statute and the False Claims Act, SouthEast Eye Specialists, SouthEast Eye Surgery Center, and the Eye Surgery Center of Chattanooga (SEES) must pay $17 million to the United States and Tennessee, according to a news release.

Two whistleblowers claimed that SEES offered optometrists various sorts of financial compensation in order to persuade them to send patients to SEES for cataract procedures. Medicare and TennCare, Tennessee's state Medicaid program, paid SEES for the referrals it received, resulting in potential False Claims Act violations.

According to the lawsuit, SEES employed a variety of incentives to encourage the optometrists to make referrals, including meals, sporting events, continuing education and improperly negotiated co-management agreements.

Read the release here.

Learn More

For more health care collections news, visit ACA's Health Care Collections page at www.acainternational.org/pulse-newsletters-archive.

Biden-Harris Administration cont. from page 2

Increasing Transparency

The new rule would give CMS a better understanding of the true manufacturing and distribution costs of the most expensive pharmaceuticals currently available on the market, and will provide states and CMS with more resources, such as a survey to verify prescription pricing, increasing openness regarding manufacturer drug prices. The Biden-Harris administration's attempts to complement the Inflation Reduction Act and further bring down prescription medication costs would be advanced by this improved transparency under Medicaid, without affecting the coverage of drugs for Medicaid patients.

Another proposed provision aims to enhance transparency into the costs of administering drug benefits in Medicaid-managed care plans. CMS is proposing that contracts between states, Medicaid-managed care plans, and third-party contractors, such as PBMs, reflect transparent reporting of drug payment information among third-party contractors. This proposal will help ensure that taxpayer dollars are actually going to pay for drugs and not increased profits.

Additionally, CMS is recommending that agreements be made between states, Medicaid-managed care plans and third-party contractors that reflect open reporting of medication payment data among third-party contractors. With the help of this rule, government funds will be used to pay for pharmaceuticals.

The proposed rule also includes provisions to ensure that states would receive the proper refunds to which they are entitled when selling brand-name medications versus generics. Increased openness would enable states to assess if manufacturers correctly categorized their covered outpatient drugs, and if not, CMS plans to take appropriate measures to fix the error.

Read the full NPRM on the Federal Register.

DATAWATCH

Hospital Revenue Growth Outpaced Rising Expenses in March

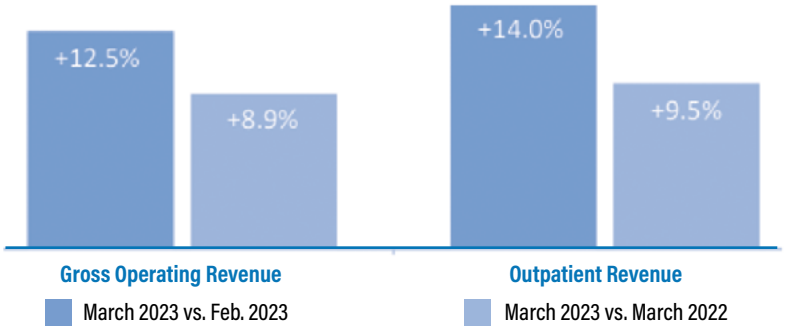
According to a new report from Syntellis Performance Solutions, revenue growth exceeded expense increases in March 2023, resulting in positive hospital operating margins for the first time in 15 months.

The study found that the median year-to-date operating margin for hospitals was 0.4% in March, up from -1.1% in February.

Additionally, total expenses and total non-labor expenses saw an 11th consecutive month of year-over-year increases, rising 4.7% and 5.5%, respectively. Total labor expenses rose 1.8% year-over-year, while drug expenses grew 7.6%.

"These trends show that health care providers are being paid a smaller share of what they bill while expenses continue to climb," the report stated. "As providers bill more in hopes of getting higher reimbursements, payers are decreasing the level of those reimbursements."

The report reflects data from more than 135,000 physicians from over 10,000 practices and more than 500 departments across over 1,300 hospitals.



Source: Syntellis Performance Trends Healthcare Market Analysis and Monthly Hospital & Physician KPIs https://bit.ly/3WE3xpN

PULSE

is a monthly bulletin that contains information important to health care credit and collection personnel. Readers are invited to send comments and contributions to:

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