April 2024 – Vol. 40 No. 4
Published for Health Care Providers by ACA International
www.acainternational.org

# PULSE

Courtesy of:
KeyBridge
Medical Revenue Care™
www.KeyBridgeMed.com

# HFMA Criticizes Patient Rights Advocate's Price Transparency Compliance Report

The Healthcare Financial Management Association has denounced the latest report as "irresponsible" and "incorrect," highlighting discrepancies in methodology and interpretations of federal price transparency regulations.

In the ongoing discourse surrounding health care consumerism and price transparency, the Healthcare Financial Management has emerged as a prominent voice Association (HFMA)advocating for clarity and accuracy in information provided to patients.

However, its stance clashes with a recent report released by Patient Rights Advocate (PRA), prompting HFMA to issue a critique of PRA's findings, according to a recent HFMA press release.

According to HFMA Director of Policy and Analysis Shawn Stack, PRA's report is deemed "irresponsible" due to what HFMA perceives as a mixture of misleading, incomplete, and incorrect information.

In the report, PRA claimed that only 34.5% of the 2,000 hospitals reviewed are compliant with federal price transparency regulations implemented in January 2021, a figure significantly lower than the Centers for Medicare & Medicaid Services (CMS) scorecard's compliance rate of 70%.

"PRA continues to release reports and scorecards that are an irresponsible mix of misleading, incomplete and incorrect," said Stack, a leading industry expert on federal price transparency regulations.

HFMA challenges PRA's methodology, accusing it of consistently misinterpreting federal rules in its reports. Stack highlights several key points of contention with the PRA report. Firstly, PRA accuses many hospitals of failing to include all their standard charge files related to accepted insurance plans.

HFMA argues that PRA's assumption that hospitals secure negotiated rates with all plans and products under a payer's umbrella is incorrect, leading to an overstatement of noncompliance.

Additionally, PRA penalizes hospitals for not including plan-specific names in machine-readable files (MRFs), despite the fact that providers are currently adjusting to comply with the new plan-specific data field by July 1, 2024.

*Continued on pg 2*

HFMA cont. from page 1

HFMA emphasizes that any implication suggesting that hospitals refuse to report these rates is inaccurate.
Another area of dispute revolves around PRA's understanding of MRFs. Stack asserts that PRA's interpretation deviates from the standard understanding of MRFs, leading to confusion and misinterpretation of federal requirements. Moreover, HFMA takes issue with PRA's disregard for the nuances of using a patient-friendly price estimator tool, authorized by CMS. HFMA challenges PRA's assertion that such tools undermine the intent of regulations, and emphasizes the importance of acknowledging the variability in treatment costs based on individual complexities.
"HFMA encourages PRA Founder Cynthia Fisher to carefully consider her organization's expertise, accuracy and role in the serious business of assessing hospital compliance and federal regulations," said HFMA Senior Vice President of Professional Practice Richard Gundling. "And it's important for PRA to operate with a level of transparency itself when it comes to the ambiguous nature of its sampling, analysis and validation processes."

For those seeking clarification on federal price transparency regulations and compliance, HFMA encourages contacting Shawn Stack for more information.

Read the press release here.

# What's Next for the No Surprises Act?

## The No Surprises Act prevented 10 million surprise bills in first nine months of 2023, according to recent findings.

The implementation of the No Surprises Act in 2022, touted as a landmark legislation for consumer health protection like the Affordable Care Act, has sparked intense debate and controversy over the last two years. At the heart of this controversy lies the Independent Dispute Resolution (IDR) process, designed to resolve payment disputes between health care providers and insurers. However, the rollout of IDR has been far from smooth, with both sides accusing each other of exploiting the system.

A recent article from Health Care Dive delved into the intricacies of this ongoing dispute and its ramifications for the American health care landscape. The IDR process was intended to provide a fair mechanism for resolving payment disputes. Yet, providers allege that the assumptions guiding arbiters favor insurers, making it challenging for them to access fair reimbursement.
Furthermore, the cost and time involved in initiating IDR have been prohibitive, with providers waiting for more than six months to receive payments. Shockingly, many insurers have failed to comply with IDR decisions, leaving providers in limbo.
On the other hand, payers argue that providers are exploiting the arbitration process to inflate their profits. Federal reports (PDF) suggest that 71% of IDR resolutions ultimately favor providers, raising questions about the fairness of the process. A joint survey by AHIP and BCBSA also found that providers are abusing IDR to collect above-market reimbursement amounts.
"The large number of disputes initiated, including thousands of batched claims and many ineligible submissions, indicates many health care providers who were previously able to balance bill patients may now be utilizing the Federal IDR process, presumably in hope of collecting above-market reimbursement amounts," the report says.
The launch of the government's IDR portal in spring 2022 was met with a flood of disputes, exacerbating an already complex situation. Additionally, a slew of lawsuits filed by provider groups challenging the law forced the Department of Health and Human Services (HHS) to halt dispute resolutions and rewrite IDR rules, leading to a backlog in cases.
A government watchdog report from December revealed that nearly half a million disputes were submitted between April 2022 and June 2023, with a significant portion remaining unresolved by the end of the period.
In response to mounting concerns, the Biden administration proposed a rule late last year aimed at streamlining the billing dispute process. The proposed rule seeks to foster more open negotiation between payers and providers before escalating disputes to IDR, with the hope of reducing the number of ineligible cases that reach arbitration. While this proposal holds promise for addressing some of the challenges plaguing the IDR process, its effectiveness remains to be seen amidst the entrenched interests and complexities of the health care industry.

Read more here.

# NEWS & NOTES

## Hospital Financial Performance Remains Strong Despite Challenges

A recent Kaufman Hall "National Hospital Flash Report" found that hospitals have maintained robust financial performance in the early months of 2024.

Despite a slight decrease from previous months, the median monthly operating index for February stood at 3.96%, indicating positive margins for hospitals. This positive trend is attributed to growth in both gross and net revenue, although the former is increasing at a faster rate, signaling shifts in hospitals' payer mix.

However, challenges such as Medicaid disenrollment exceeding expectations, increasing bad debt, and charity care, as well as the aftermath of the Change Healthcare cybersecurity incident, loom ahead, prompting experts to advise hospitals to prioritize liquidity preservation and cybersecurity measures.

The health care landscape continues to evolve with outpatient care driving revenue growth while inpatient revenue declines. This shift, accelerated by the pandemic, has prompted speculation about increased market consolidation and reduced inpatient days, historically vital for hospital revenue.

While outpatient services offer new opportunities, hospitals must navigate challenges posed by cybersecurity threats and changing market dynamics. To safeguard financial stability, hospitals are urged to focus on managing denial rates, diversifying clearinghouse options, and implementing strategies to preserve liquidity amidst ongoing uncertainties.

Read more here.

## Congress Passes $460 Billion Spending Bill, Averts Shutdown

Congress narrowly avoided a partial government shutdown by passing a $460 billion spending bill, which now awaits President Joe Biden's signature, according to a recent article from the *New York Times.*

The bipartisan deal, approved with overwhelming majorities in both the House and the Senate, will fund government agencies through the remainder of the 2024 fiscal year.

Notably, the bill addresses concerns within the health care sector by reversing a portion of the cuts to Medicare reimbursements under the Physician Fee Schedule and the Medicaid Disproportionate Share Hospital program.

Despite these adjustments, health care provider groups like the American Medical Association and the American Academy of Family Physicians remain apprehensive, emphasizing the need for comprehensive, long-term reforms to ensure sustained access to care, particularly in underserved areas.

Read more here.

# Senate Members Urge CFPB to Act on Medical Debt Rulemaking Proposals

A group of U.S. senators, led by Sen. Sherrod Brown, D-Ohio, chair of the Senate Committee on Banking, Housing and Urban Affairs, is urging the Consumer Financial Protection Bureau to move forward on implementing its proposals on medical debt collection regulation, according to a news release.

"We encourage the CFPB, under its FCRA authority, to undertake rulemaking to create uniform standards for all credit reporting companies, including those smaller and specialty companies, whose practices may not align with the changes recently made by the national credit reporting agencies," Brown and the senators stated in a letter (PDF) to CFPB Director Rohit Chopra. "Any regulations promulgated should prohibit reporting of all medical debt."

The CFPB's Notice of Proposed Rulemaking (NPRM) related to the Fair Credit Reporting Act could fundamentally alter the U.S. credit-based economy as it is today in terms of consequences for not paying your bills. 'But ACA International hasnt slowed in its advocacy on this issue, and it is prepared to communicate updates and help members be active in representing the voice of the industry in the CFPB's rulemaking process.

This builds on ACA members' participation in the Small Business Review Panel discussions, resulting in recommendations for the FCRA rulemaking aligning closely with ACA's advocacy on the issue. This included defining medical debts and additional opportunities for public comment on how the proposals will impact consumers' access and ability to afford medical care as well as the impact on small medical providers.

Given the senators' call to action, it is critical that the CFPB and lawmakers in Congress hear directly from stakeholders that will be impacted, both now and continually throughout the rulemaking process.

Read more here.

# DATAWATCH

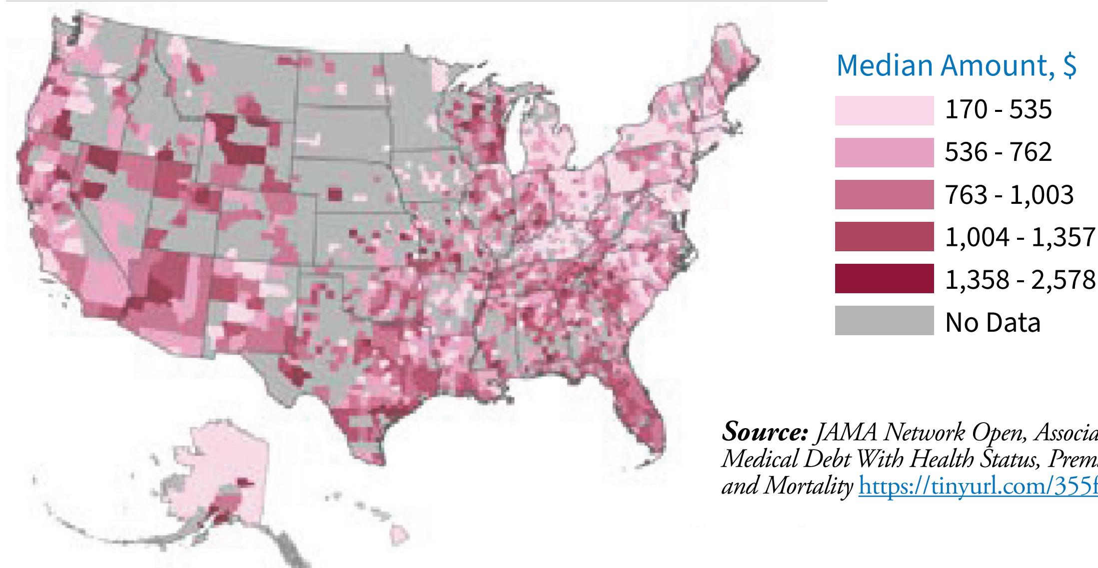
# Study Links Medical Debt to Poor Health Outcomes and Increased Mortality Rates

A study published in JAMA Network Open reveals the detrimental impact of medical debt on population health, indicating associations with worsened physical and mental health, as well as higher mortality rates.

Analyzing data from over 3,000 counties, researchers found that individuals in areas with higher rates of medical debt experienced more physically and mentally unhealthy days, with each percentage-point increase in medical debt prevalence corresponding to significant declines in health and increased premature death rates.

Moreover, counties with greater proportions of racial and ethnic minorities, lower educational attainment, and higher poverty levels were disproportionately affected by medical debt burdens.

## Median Amount Owed Among Individuals with Medical Debt in Collections:




***Source:*** *JAMA Network Open, Associations of Medical Debt With Health Status, Premature Death, and Mortality* https://tinyurl.com/355f3bph

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

**Communications Department**
**ACA International**
**3200 Courthouse Lane**
**Eagan, MN 55121**
comm@acainternational.org

Note: Requests for reprints or additional information on material herein must be made through the ACA International member who sponsored your receipt of this publication.

Do we have your correct name, title and address? Please advise your sponsor of any corrections.

This information is not to be construed as legal advice. Legal advice must be tailored to the specific circumstances of each case. Every effort has been made to assure that this information is up to date as of the date of publication. It is not intended to be a full and exhaustive explanation of the law in any area. This information is not intended as legal advice and may not be used as legal advice. It should not be used to replace the advice of your own legal counsel.

© 2024 ACA International. All Rights Reserved.