

Heard on the Net

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Congressional Delays Extending the American Rescue Plan's Health Insurance Subsidies Will Raise Premiums and Reduce Coverage - "Congress's real deadline to avert premium increases and coverage losses is August. That's because most consumers will make 2023 coverage decisions in 2022, and there are substantial operational runways to set insurance rates, update eligibility systems and consumer-facing language to reflect PTC parameters, and calculate enrollees' new eligibility and notify them -- all before the open enrollment period begins November 1, 2022."

Health Care Costs Keep Rising. A New California Agency Aims To Fix That - In 2017, a rare viral infection hospitalized Bernadette Moordigian for three weeks and paralyzed her for nearly nine months. Although she had health insurance, the hospital sent her an \$80,000 bill. She appealed and got financial aid but was still on the hook for \$10,000. In 2018, Shelly Tsai, a lawyer with Neighborhood Legal Services Los Angeles, took on a client who opted to give birth at home with a midwife. Insurance wouldn't foot the \$8,000 bill despite it costing three times less than a hospital birth.

How Much Health Insurers Pay for Almost Everything Is About to Go Public - "As of July 1, health insurers and self-insured employers must post on websites just about every price they've negotiated with providers for health care services, item by item.... The federally required data release could affect future prices or even how employers contract for health care. Many will see for the first time how well their insurers are doing compared with others."

Health Plans and Issuers Must Post Machine-Readable Files Beginning July 1, 2022 - "The following information must be disclosed: [1] In-network provider negotiated rates for covered items and services (the 'In-network Rate File'); [2] Historical payments to and billed charges from out-of-network providers (the 'Allowed Amount File'); and [3] In-network negotiated rates and historical net prices for covered prescription drugs (the 'Prescription Drug File') -- this particular MRF requirement is delayed until further notice. The files must be publicly available and accessible free of charge without any restrictions."

6-Figure Fines Imposed by CMS for Hospital Noncompliance with Price Transparency Requirements - "The federal price transparency requirements for hospitals entered a new phase this month, with CMS not only issuing the first fines for noncompliance but also publicizing those penalties. Two hospitals were levied combined penalties of just under \$1.1 million ... According to [a recent study], fewer than 6% of hospitals were fully compliant between July and October 2021."

The Role of Prices in Excess U.S. Health Spending - "Prices for health care services are a critical driver of health spending growth in the US. US health care prices vary widely among hospitals and between public and private insurers. Across a range of services, US prices are higher than those in comparable countries."

The IRS Cannot 'Fix' the 'Family Glitch' - "The plain language of the statutory text unambiguously includes the family glitch as part of the process to determine eligibility for premium subsidies. The legislative history confirms this plain reading ... The family glitch lowered the ACA's cost, reduced the incentive for employers to drop coverage, and protected the individual market risk pool. The family glitch may be disfavored today, but Congress enacted it by design and fixing it administratively would illegally sidestep Congress."

Surging Drug Prices Targeted in FTC Study of Pharmacy Giants - "The U.S. Federal Trade Commission [FTC] is looking into how big pharmacy benefit managers like CVS Caremark affect pricing and patients' access to prescription drugs at a time when costs of some medicines, even older ones like insulin, have skyrocketed ... As part of the probe, the FTC is sending demands for information to CVS Health Corp's Caremark, Humana Inc, Cigna Corp's Express Scripts and UnitedHealth Group's OptumRx, among others."

CMS Speaks: Failing to Pay Agent Commissions Violates ACA - "In a **June 7 FAQ**, CMS said that insurers that pay reduced or no commission to agents and brokers who assist consumers during special enrollment and pay higher amounts for getting people covered during open enrollment in the same benefit year 'violate the guaranteed availability provisions of the ACA.' "

California Officials Hit Anthem Blue Cross with \$1 Million Fine - "The department issued a \$750,000 fine for incorrectly applying office visits to some members' deductibles, which impacted more than 6,500 people between 2015 and 2020. The insurer will also pay a \$360,000 fine for failing to mail out an explanation of benefits document to more than 363,000 members in 2019."

Preventive Care May Be Free, But Follow-Up Diagnostic Tests Can Bring Big Bills - "Under the [ACA], many preventive services -- such as breast and colorectal cancer screening -- are covered at no cost.... But if a screening returns an abnormal result and a health care provider orders more testing to figure out what's wrong, patients may be on the hook for hundreds or even thousands of dollars for diagnostic services."

Agencies Issue Checklist for Surprise Billing IDR Proces - "Explaining that most questions and complaints received to date by the No Surprises Help Desk relate to sending the initial payment or notice of denial (and the associated required disclosures) and providing information about the open negotiation period, the agencies outline the specific steps to follow to comply with these requirements."

New Compensation Disclosure Rule Highlights Responsibilities of Group Health Plan Fiduciaries - "Prudent plan fiduciaries will establish and adhere to a formal, written policy to ensure compliance with the New Disclosure Rule. Indemnification and limitation of liability provisions in service provider contracts should also be revisited relative to this new rule."

Group Health Plans Will Need Clinical Evidence for EHB Design and Coverage Limitations - "Beginning on January 1, 2023, or on the next policy renewal, whichever is earlier, individual and group health plans that cover essential health benefits (EHBs) will have to use clinical evidence to support both EHB design and any related coverage limitations.... The final rule doesn't explicitly define evidence-based standards or clinical guidelines, but it does specify what is not acceptable."

Open Enrollment: Setting Yourself Up for Success Starts Now - "A live, in-person Open Enrollment session may work for your organization, especially if you have been planning to bring everyone together.... Live virtual meetings can be productive if managed well, though technical difficulties and a lack of attention to virtual meeting etiquette can often get in the way.... [Some employers] have replaced live gatherings, whether virtual or in-person, with a communication campaign that is varied and effective."

Health FSAs: Things Employers May Not Know - "[1] Employers can choose a lower limit than max ... [2] Employers can contribute to employees' Health FSAs ... [3] Employers can limit the risk of forfeiture ... [4] Employers determine the plan year ... [5] Employers choose what to do with forfeited balances."

Self-Insured Plans: Updated PCORI Fees Payable in 2022 - "Due to the fact that the [HHS] did not publish updated National Health Expenditures tables for 2021, this year's fees are based on the projections set out in the 2020 tables.... Plans should pay close attention to next year's fee changes as the accuracy of 2020's projections may be affected by current inflationary trends."