MedBillsAssist

Medical Claims Solutions

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The Medical Loss Ratio

The medical loss ratio is defined by the percentage of premium that insurers spend on health care claims.

Recent regulatory filings revealed disparities between the different types of plans. Insurance companies for large employer groups spent an average of 84 cents on every dollar they have collected in premiums. For small employer groups the ratio is 80 percent, while individual policies share is only 73 percent. The rest of the premium is retained for administrative cost, salaries and profits. Individual policies undergo significant underwriting while small and large group participants receive less scrutiny.

Senator Rockefeller is asking questions " Are they spending it to make people well when they are sick and keep them healthy? Or is the money they charge going to profits, to executive salaries, and to figuring out how to deny care to people when they really need it?" What he forgot to ask is how much spending transpires when people apply for individual medical insurance. That is where most administrative expenses and denials occur. He also fails to promise to fix inequality with legislation.

Hide Cost - Fix Nothing

The integral part of the healthcare reform is controlling cost. Among many other factors is the Sustainable Growth Rate Formula, otherwise known as a Medicare payment calculation for physicians. This formula was put in place in 1997 and has been a hornets' nest for the past several years. It is based on 10 year average GDP, changes in physician fees, the number of Medicare beneficiaries and changes in law or regulation.

While legislators were on vacation last year, the bill to fix the formula was pended; putting Medicare payments on hold. Physicians in large numbers took vacations or temporary stopped seeing Medicare patients. Ted Kennedy's last appearance in the senate pushed the temporary fix through.
Next year's projected cut is 21.5%.

The formula fix was included in the original healthcare reform bill, but was taken out due to its estimated cost of 210 billion. A vote in the senate on a separate bill, to permanently fix this formula, failed in October. The house of representatives approved the permanent fix this month, however, they don't have real hope to get it approved by the senate.

The backbone of our healthcare rests on the shoulders of our physicians. Medicare payment rates effect our entire nation. If the fix is not reached the final outcome is two fold. Doctors who will continue to care for Medicare patient will have to increase charges for the rest of us, simply to make up the difference. Doctors who decide not to accept Medicare will also end up charging us more for basically the same reason, to make up the difference in lost revenues.

Quote of the Quarter

"We were approached by the lobbyist, who asked if we would be willing to enter a statement in the Congressional Record. I asked him for a draft. I tweaked a couple of words. There's not much reason to reinvent the wheel on a Congressional Record entry."
STANLEY V. WHITE, chief of staff for Representative Robert A. Brady of Pennsylvania, one of dozens of lawmakers who used speeches ghostwritten by a biotechnology company during the health-care debate in the House.

This quote appeared in the New York Times on November 15,2009.

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Medicare Open Enrollment

Medicare open enrollment started just two weeks ago. This is the time to make changes to present prescription drug plans, reconsider traditional Medicare options and make all needed changes.

Just like any other decision in life it has to fit one's lifestyle, personal needs and budget.

Traditional Medicare offers care anywhere within the United States, along with the federally approved supplemental plans and most prescription plans. These services comprise the mainstream option with the associated cost of paying for part B, supplement, and part D.

Another option is to choose one of the Medicare Advantage plans. Careful selection allows beneficiaries to combine all necessary healthcare related services and prescription benefits into one coverage plan. It can be a cost effective solution for those who fully understand the limitations and restrictions.

Beneficiaries already enrolled on these advantage plans please be cautious. Some of these plans terminated their Medicare contract.

Definitions:

SGR-Sustainable Growth Rate: a federal formula that mandates physician pay rates.

Medical Loss Ratio: the percentage of premiums that insures spend on health care claims.

GDP: gross domestic product

Electronic Medical Records

We are receiving medical treatments by many doctors and a few hospitals.

Will electronic medical records help improve our level of care? Will it reduce the cost of healthcare? Will it still protect our privacy?
A recent study conducted by Dr. Ashish K. Jha, an assistant professor at the Harvard School of Public Health, shows no impact on the quality or cost of health care. The new study places hospitals into three groups: full featured electronic health records, basic ones and ones without computerized records. The study looked at results of reducing the length of hospital stays. For hospitals with full featured digital records, the average length of stay was 5.5 days; for those with basic computer records, 5.7 days; and those without, also 5.7 days. The differences were marginal.

The Obama administration seeks to adopt electronic health records by 2015. Under the administration doctors and hospitals will receive incentive payment for meaningful use of certified records.

There are no studies regarding privacy.

Legal Issues or Who is in Trouble this Time?

Kaiser Foundation Hospitals - Santa Clara (Kaiser), California, agreed to pay $100,000 for allegedly violating the Patient Anti-Dumping Statute on two separate occasions. On both occasions, Kaiser failed to provide appropriate medical screening examinations and stabilizing treatment.

On the first occasion, a 15 year old arrived at Kaiser's emergency department (ED) complaining of severe abdominal pain. The patient was discharged quickly and directed to a pediatric physician group on the hospital's campus. On the second occasion, a 12 year old boy returned to Kaiser's ED after being sent home the night before. He presented with a high fever, continued pain and was lethargic with swollen eyes and face. He was also discharged to the pediatric physician group on the hospital's campus. Six hours after he was discharged from the ED, he was admitted to Kaiser's Pediatric Intensive Care Unit where he died the next morning from staphylococcal sepsis.

MedBillsAssist

Our Mission is to represent our clients' best interests. We work on your behalf in an ethical manner in compliance with state and federal regulations.

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