MedBillsAssist

Medical Claims Solutions

Volume 4 Issue 6 Winter 2013

Affordable Care Act and Health Exchanges

Two months after opening the Health Exchange Federal website, there are still problems and confusion. President Obama's promise to keep health insurance policies we liked turned out to be a misrepresentation. Insurance companies terminated existing policies for various reasons. The most quoted reason is non-compliance with the health care law for individual and small group policies issued after March 2010.

There is a legislative effort to preserve these policies for at least another year. This attempt will most likely fail to reverse the cancelled policies. It takes 6-8 months for state Insurance Departments to approve a policy. New York State Governor Cuomo has already stated that it is unlikely that New York would consider reinstatement of cancelled policies.

Any policies obtained prior to March 2010 have been grandfathered. This means these policies remain intact and are not required to be compliant with the provisions of the Affordable Care Act.

Where are we now? ACA status as I see it…

In so many words, it depends on your state of residence. Those who live in states that did not create their own exchange are having a difficult time. Some people were able to sign up, some got lost, kicked out, etc. Residents of states operating their own exchanges, have operational web sites and people are able to enroll. What is offered on these websites are different for every state, as are the premium rates.

My home state Connecticut is doing well as far as access, information, and ability to sign up. The state website (called Access Health CT) provides a lot of information and many choices. Unfortunately, the state kept age based grouping, which made policies very expensive for older insurance shoppers. I fail to see how these plans are affordable with all of the hidden costs that will not be discovered until the plans are utilized.

Hypothetically a patient about 30 years old with a bronze plan, Anthem Blue Cross Blue Shield with yearly premium of $3,340, needs his appendix removed. A three day hospital stay yields about $13,000 in hospital charges. The Blue Cross contacted rate is $9,000. This person will have to pay his $500 hospital co-pay, $5,750 deductible, plus $30 to the operating doctor, $30 for the anesthesiologist and $30 for the pathologist. Upon discharge this person will have to pay a total of $6,340 for his appendectomy. His Blue Cross insurance will pay $2,750 to the hospital where the operation took place. In other words, getting insurance through the Health Insurance Exchange for medical expenses does not really shield the member from large expenses. The 30 years old could also chose a gold plan. With the gold plan, the same appendix removal would now cost him $1,590 out of pocket and his annual premium in would be $5,197.

For a 60 year old, the policies will carry an annual premium of $7,548 (bronze) or $12,432 (gold). The appendix removal will cost this person $6,340 or $1,590, respectively.

Then there is that frustrating co-insurance. Co-insurance applies to the use of out of network doctors and hospitals. Lets say that the doctor out of network charges $200. The insurance allows $100, and will calculate a cost share based on the percentages listed in the policy. If the co-insurance is 30%, then in this case the insurance pays

Quotes of the Quarter

"I"I think it's fair to say that the rollout has been rough so far."

"The Web site itself is doing a lot of stuff."

"I was not informed directly that the Web site would not be working... the way it was supposed to. Had I been informed, I wouldn't be going out saying, 'Boy, this is going to be great.'"

"And you know, buying health insurance is never going to be like buying a song on iTunes. You know, it's just a much more complicated transaction."

— President Obama, about the Health Exchanges in recent weeks

$70, if the deductible have been fully met. If not, it will be considered a reduction of deducible and no insurance company payment will be made.

My neighboring state, New York, has elected a different protocol where the rating applies to all; no distinction made between age groups. Unfortunately the NYStateofHealth exchange offers only HMO policies that provide no out of network coverage. This leaves people, who were used to being able to see out of network doctors with their current health insurance, scrambling to find an alternative. Another significant difference is the reduced provider network. Blue Cross policy choices are based on a reduced provider network. Given the HMO only options in New York, this will be a major change in receiving healthcare with the Health Insurance Exchange based plans. Patients can end up needing to replace many, if not all, of their doctors.

Other states have similar issues. In New Jersey, many doctors don't plan to participate in the Exchange Insurance policies. In other states specialized hospitals, such as cancer centers or children's hospitals, are not included in the provider networks for the health insurance Exchange plans.

It is frustrating to see that provider networks are shrinking. Even in the pre-ACA health insurance system, people are having a difficult time getting an appointment with a doctor. How will Obamacare impact getting an appointment with one of the limited providers in a timely manner? While preventive care is certainly important, not being able to see a physician for an illness in a timely manner may result in an escalating condition that could require extensive care with providers who may or may not be in network.

Insurance companies are forcing physicians to accept reduced payments in their provider network for the Health Insurance Exchange plans. Many of the established providers refuse to accept these low rates. Most likely the decrease in reimbursements is the reason for the shrinking provider networks with these plans. Will the providers who accepted the lower payment continue the quality of care that member had gotten accustomed to with their established providers?

The best advise I can offer is to check your own state options, cross reference it with your present policy, check the providers' network, and see which is the best option available for you. You can look up if you are able to renew your present policy in your state in a recent New York Times reference piece.

Definitions:

PPACA: Patient Protection and Affordable Care Act, a.k.a. ACA, Affordable Care Act, and Obamacare.

Medicare Enrollments: a number of set rules governing Medicare participation.

Medicare Open Enrollment

If you are on Medicare the Affordable Care Act does not effect your Medicare benefits and choices. It is only for people without Medicare benefits.

It is Medicare open enrollment time again. This is the time to make changes to your existing prescription plan or finally get rid of that Medicare Advantage Plan that gave you a headache this year. In any event if you are planning to make changes Medicare open enrolment will end on December 7th.

There are no significant changes in the Prescription plan landscape for this year. Prices are increasing slightly, but the least expensive plan is still a Humana Wal-Mart plan. You can check and shop at www.mymedicare.gov, but please do exercise caution. There are discrepancies between the information found on this website and the actual prescription policies. It is best to use Medicare as a guideline and review the chosen policy in their own website. Medicare Advantage plans are workable solutions for those who fully understand provider network limitations. Most of these plans are desirable due to the low or no additional cost. Unfortunately, the provider networks shrinking with these plans as well. If you have a Medicare Advantage plan and decided to keep it, please be sure to check with your doctors to ensure they are planning to stay in the network.

MedBillsAssist

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