



HELP

Jean Rexford

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FOR PATIENT SAFETY
QUALITY HEALTHCARE IS A RIGHT.

- Federation of State Medical Boards, Board member
- National Advisory Council for Healthcare Research and Quality
- National Committee for Quality Assurance, Consumer Council
- Consumer Council, National Quality Forum
- FDA Consumer Representative on Medical Imagination Drugs Advisory Committee
- National Board of Medical Examiners, member at large
- Public Stakeholder Committee, National Board of Medical Examiners
- Safe Patient Project: Consumers Union
- Patient Voice Institute, Board member



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When I buy a car

- Pricing
- Specifics
- Safety features
- Options
- Average monthly payments

- Ralph Nader

Health Care: it is not a system



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Insurance industry:

1. Too many choices
2. Lots of changes each year
3. Strange vocabulary
 - a) Formulary for example
 - b) eleven clicks away
4. Confusion about what I am purchasing



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Bankruptcy

Medical Expenses remain the number one reasons people file for bankruptcy

- 62% of all bankruptcies
- 72% of those who filed had some form of health insurance

-Harvard Study



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Health Literacy

There is a problem

co pay

co insurance

in network and out of network

primary secondary and tertiary
coverage?

deductibles

HMOs, PPOs, ACAs, and I am just getting started

A career in health billing requires taking classes in:



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- Reading and Understanding EPOS
- Filing Both Electronic & Paper Claims
- Overpayments
- Authorizations & Referrals
- ICD10 Codes
- Audits
- Taxonomy Codes
- Deductibles, Copays, & Coinsurance
- Primary, Secondary & Tertiary Insurance
- Insurance Cards, Codes & Insurance Fraud



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But wait there is more:

- Participating With Insurance Companies
- Workers Comp & No Fault Insurance
- Denials & Resubmitting Claims
- Patient Billing, Aging Reports & NPI Numbers
- HIPAA
- Indemnity
- HMOS & Medicare HMOS
- PPO

Most commonly asked questions:

- Why wasn't my insurance carrier billed?
- Did my insurance carrier pay for services?
- Why didn't my insurance carrier pay for the services?
- Why am I getting a bill now, when services were provided so long ago?
- Why do I keep getting bills?
- Who ordered the test?
- Why did I have these tests?
- How do I get my test results?



Let's look at another industry: Pharmaceuticals



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GlaxoSmithKline



MERCK

Be well



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Marketing: Some recent fines

Pfizer

- Sept 2009
- Pfizer was [fined \\$2.3 billion.](#)
- Pfizer pled guilty to misbranding the painkiller Bextra with "the intent to defraud or mislead," promoting the drug to treat acute pain at dosages the FDA had previously deemed dangerously high. Bextra was pulled from the market in 2005 due to safety concerns.



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Merck

- Nov 2011
- Merck agreed to pay a fine of [\\$950 million](#).
- Action was related to the illegal promotion of the painkiller Vioxx, which was withdrawn from the market in 2004 after studies found the drug increased the risk of heart attacks. Merck pled guilty to having promoted Vioxx as a treatment for rheumatoid arthritis before it was approved for that use. The settlement also resolved allegations that Merck made false or misleading statements about the drug's heart safety to increase sales.



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GlaxoSmithKline

- July 2012
- GlaxoSmithKline agreed to [pay a fine of \\$3 billion.](#)
- This resolved civil and criminal liabilities regarding its promotion of drugs, as well as its failure to report safety data. This is the *largest health care fraud settlement in the United States* to date. The company pled guilty to misbranding the drug Paxil for treating depression in patients under 18, even though the drug had never been approved for that age group. GlaxoSmithKline also pled guilty to failing to disclose safety information about the diabetes drug Avandia to the FDA.

Dollars for Docs and Open Payments Database



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- ProPublica and the Affordable Care Act are finally providing transparency to consumers
 - [Connecticut](#) \$54,628,879 to providers and that is just 17 companies representing 50% of the market share.
 - [Vermont](#) has tracked spending. Psychiatrists, dermatologists, plastic surgeons and orthopedic surgeons are the biggest beneficiaries of pharma largesse.



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Profitable industries

- Four of the fifteen industries with the highest net profit margin according to Forbes
 - Offices of dentists
 - Offices of physicians
 - Offices of other healthcare providers
 - Outpatient care centers

Surprise – you are not covered



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Do not assume that doctors working at in-network hospitals are in your network

- Emergency room doctors, radiologists and anesthesiologists' often do not work for the hospital but work for themselves or a large practice.
- Doctors can bill the patient for whatever the insurance company does not cover if the care was provided outside of the approved network.
- There a name for it – balance billing!



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Surprise - \$117,000 Medical bill

- New York Times report on September 20, 2014
- In operating rooms and hospital wards – increasingly common practice - drive by doctoring.
- Practice increases revenue for physicians when insurers are cutting down reimbursement for services.
- May involve out of network providers who bill 20 to 40 times the usual local rates.

Americans pay more



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- Colonoscopy: In US: \$1,185 and in Switzerland \$655
- Hip Replacement: In US: \$40,364 and in Spain \$7,731
- Lipitor average US price is \$124 and in New Zealand \$6

The outcomes for spending more...



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- Studies since the 1980s have shown that despite spending enormous sums on health care, Americans are less healthy than their counterparts in other developed countries. In the most recent studies comparing the United States to 17 other wealthy industrialized nations including France, Japan, Canada and Britain, Americans had a shorter life expectancy, higher rates of disease, the highest rates of infant mortality and the lowest chance over all of surviving to middle age.



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Health Insurers are Profiting

- Survey of ten insurance companies reported revenues up 10% from Medicare Advantage programs.
- Expansion of Medicaid “highly profitable.

-WellPoint

“These companies all look at government programs as growth markets”

-Michael Tuffin, former VP of America’s Health Insurance Plans

New York State passed a pro-consumer law – Senate Bill S.6357B



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- Protection of consumer liability from surprise bills
- Improved Disclosure of Coverage
 - Compare apples to apples
 - Insurer payment for particular services
- Easier consumer Claims Submission
- Extended network Adequacy Protections

We need transparency and accountability

- There is good news.

- APCD
- Affordable Care Act
- Consumers are paying more and will be demanding more
- And this committee

Thank you for your concern and support of all residents of our state.



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Thank you.

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