

# KOEHLER FITZGERALD

## | REFERENCE-BASED PRICING NEWSLETTER |

### **Koehler Fitzgerald**

Koehler Fitzgerald LLC provides highly specialized legal services to TPAs and Plan Sponsors offering reference-based medical plans.

Central to those services are the defense of balance billing claims, from provider billing to jury trial, utilizing the firm's highly rated trial lawyers, nationally recognized experts and affiliated local counsel throughout the U.S.

Koehler Fitzgerald's multilingual services are supported by the use of a proprietary and customized database to track and support group calendaring, task management, contact management, conflicts checking, integrated document assembly and customized weekly reports of the status of claims and activity.

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## **Affordable Care Act (ACA) Seven Years Later**

Today marks the seventh anniversary of the signing of the ACA by then President Barack Obama. Today, the House is scheduled to vote on the American Health Care Act (AHCA) which has been approved by two key House committees, but passage by the full House is uncertain.

The ACA was intended to "provide affordable, quality health care for all Americans and reduce the growth in healthcare spending, and for other purposes." In January 2017, President Donald Trump told ABC's David Muir, "What my plan is is that I wanna take care of everybody. I'm not gonna leave the lower 20% that can't afford insurance. We're gonna come up with a new plan that's going to be better health care for more people at a lesser cost."

Before the passage of the ACA in 2010, health insurers could deny coverage for pre-existing conditions or discontinue coverage after an illness occurred. Carriers could also terminate coverage when annual or lifetime limits were reached. There were also no limits on the size of premium increases. The ACA expanded Medicaid and CHIP to over 15 million persons in states that chose to opt-in. The ACA mandated coverage for certain preventative measures and wellness visits. These, and other features of the ACA have





## Hospital Balance Billing and Payments

Most Americans have difficulty understanding and paying hospital balance bills. In an article entitled "15 things to know about hospital billing and patient payments" in the March 21, 2017 edition of Becker's Hospital CFO, the authors reported that 37% of Americans said they could not pay for an unexpected medical bill exceeding \$100 without incurring debt and only 23% would be able to pay an unexpected bill exceeding \$2,000. Federal law does not protect patients from balance billing; about one-fourth of the states have some protection, typically for emergency services. According to a Mad\*Pow report released in 2016, more than 60% of patients said their medical bills were confusing or very confusing. A December 2016 survey of 1,309 hospital CFOs conducted by Black Book reported that 39.8% of U.S. hospitals outsourced complex claims to an outside vendor in the last quarter of that year.

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become ingrained in American healthcare.

The AHCA would repeal certain provisions of the ACA, including penalties on large employers that do not offer health insurance, certain taxes, enhanced payments to states that expanded Medicaid eligibility, and replace the requirement that most Americans obtain coverage or pay a penalty with the requirement that Americans maintain continuous coverage or pay a premium penalty to insurers if they subsequently purchase insurance. The AHCA would provide tax credits that vary by age and retain the popular requirement to cover pre-existing conditions.

The ACA has encountered problems, one of the most significant being difficulty in enrolling persons with modest incomes who, even with the ACA subsidies, find it difficult to afford coverage and pay the deductibles. Enrollment issues, the ACA mandate, and tax provisions are cited as reasons for a repeal of the Act. But will the AHCA be better? Can it pass the House and the Senate? 216 affirmative votes are required for the AHCA (or any alternatives) to pass the House. Tallies as this article is completed indicate the vote will be close. In the Senate, 60 votes are usually required to break a filibuster. Given a 52-48 majority, Republicans are expected to rely upon the budget reconciliation procedure which requires only a simple majority. However, this procedure prevents the majority from making sweeping changes and adds to the difficulty of enacting health care legislation which affords reasonable healthcare in a manner which is politically acceptable to the various contingencies needed to support enactment. Indeed, American healthcare is complex.

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