

## OMSKey Report for October 7, 2003

### National Level

#### Liability Insurance Reform

*Patients First Act-S.11*

Modeled after MICRA, Voted down in Senate in July

AOA is launching Everypatientcounts.org, a website and nationwide campaign to increase support for National Reform of Liability Insurance.

#### Global Aids

Bush's 3 billion dollar aid plan has been reduced by 1/3 due to a budget cut.

AMSA is lobbying to reinstate the original amount promised.

#### Uninsured Americans

14.6 percent of Americans were uninsured in 2001, 15.2 percent of all Americans were uninsured in 2002, which is a total of 43.6 million uninsured people.

Last year marked the largest single increase in the number of uninsured Americans in a decade.

AMSA urges Congress to pass the *Health Care Access Resolution-H.Con.Res 99/S.Con.Res. 41*-These bills ask for health coverage under a single payer govt. system. Sent to committee...likely to die there.

AMA- "awareness is the first step"

Eight million uninsured children in the United States who are eligible for Medicaid and CHIP are not enrolled. Recently, RWJF launched the AMA-supported 2003 Back-to-School campaign and are planning more than 1,000 enrollment events and activities from coast to coast.

#### Medicare-Reform and Drug Benefit are Linked in Congress

**Significant politics are playing into this bill.** Republicans will not pass drug coverage without structure reform that increases private options. Democrats are opposed to more private options. Also, with election year looming, Democrats have incentive to not allow Bush to be the president that a prescription drug benefit passed under. Bills are in committee now.

U.S. House passed the *House Medicare Prescription Drug and Modernization Act of 2003 (H.R. 1)*. The U.S. Senate passed a *Medicare bill (S.1)* with drug benefit.

Both bills increase private insurance alternatives but the House bill requires Medicare to compete with private plans, senate bill doesn't. Under House bill the plan choice determines the cost of patient's premium. In the Senate bill, costs would have no bearing on premiums.

#### Current sticking points include:

- 1) House-passed provision on the **Physician Medicare Payment Update**.
- 2) House-passed provision that would give the Centers for Medicare and Medicaid Services (CMS) the authority to mandate that **ICD-10 replaces the CPT** system.

Switching from the existing CPT system to ICD-10 would require that physicians move from an 8,000-code system to a system with more than 170,000 codes.

3) House-passed provision that would mandate that physicians begin **electronic prescribing by 2006**. The Senate bill does not include a mandate and would instead focus on developing standards for an e-prescribing system.

#### **House Bill Drug Benefit**

##### **Patient pays:**

\$35/monthly premium

\$250 yearly deductible

##### **Medicare pays:**

80% up to \$2000

Nothing from \$2001-4900

100% over \$4900 for year

#### **Senate Bill Drug Benefit**

##### **Patient pays:**

Same monthly premium

\$275 deductible

##### **Medicare pays:**

50% up to \$4500

Nothing from \$4501-5800

90% over \$5800 for year

### **State Level**

#### **Child Nutrition**

Federal law only bans sale of “food of minimal nutritional value” during lunch at elementary and middle schools. Texas law goes further. Texas law bans sale of items at all times in Elementary schools and at middle schools during lunch time.

Texas Dept. of Agriculture took the Child Nutrition Programs from the Texas Education Agency in July. “Foods of minimal nutritional value” are soft drinks and candy. Chocolate bars, potato chips and other snacks are not banned.

#### **Prompt Pay**

*Senate Bill 418*-Passed in last legislative session BUT legislature sets policy that TDI has to enforce. If TDI interprets the policy differently than was intended the resulting rules may not reflect the intent of the legislation. Public hearings resulted in good outcome on emergency rules. These rules are good for 180 days. **Permanent rules must be set by December 4<sup>th</sup>.**

##### **Key points:**

- 1. Ends retrospective denials of payment for claims previously verified**
2. Enhances the availability of eligibility information-expands hours that doctors can call insurance company. Messages left after hours must be answered in 48 hours.
3. Ends confusion over claims and overpayment recovery deadlines:
  - Doctor has 95 days to file a claim
  - Insurance company has 180 day limit on recovery of overpayment
4. Establishes graduated penalties for late payments.
  - Electronic claims must be paid in 30 days.
  - Paper claims must be paid in 45 days.
  - 90 days after deadline insurance company pays 18% interest on unpaid claim