



A Common Scenario Shapes Up as a Big Issue

Executive Director's Message



By Bill Sandberg

Dr. Smith could be an emergency physician or a physician on call to the ED. He has contracts with most HMOs and PPOs; but not all of them. Because of federal law (EMTALA), he can not refuse care to anyone who comes to the XYZ's Emergency Department. If he is an on call physician he may be carrying out his mandatory requirement. On the occasion that

he treats patients with health care coverage from a health plan he does not contract with, he bills the plan anyway. If the plan fails to pay his fees, he bills the patient for the balance. Sometimes he bills the patient for his full fee, leaving the patient to collect from the plan.

THIS LITTLE SCENARIO IS PLAYED OUT thousands of times a day by emergency physicians, physicians on-call, and medical specialties like anesthesiology and radiology. A contract is an agreement between two parties, but sometimes parties do not agree. Not all physicians can get contracts from all the plans. Sometimes physicians will not or cannot contract with a "take it or leave it" health plan because of extremely low reimbursement or some other aspect of the contract. In this country, you have a right to contract with whomever you choose.

Patients insured by HMO plans are assured, as a condition of their coverage, that the out-of-pocket costs, co-payments and deductibles are known upfront and pre-established, if they go to physicians and facilities contracting with the HMO. When HMO patients are treated by a non-contracting physician, and receive a bill either for the full fee or for the balance, they get upset. They get angry at the health plan, the hospital, the physician and their employer.

Over the past few years "balance billing" has become one of the most contentious issues in medicine. Health plans say those that balance bill are gouging patients with excessive fees beyond "usual and customary"; patients are angry and employers are caught in the middle.

This problem is inappropriately but commonly called "balance billing." In August, Governor Schwarzenegger, through the Department of Managed Health Care, issued proposed regulations banning physicians from balance billing of patient covered by HMOs and HMO/PPOs.

The ability of a physician or his medical group to bill for medical services when there is no existing contract distinguishes the private practice of medicine from government-run systems of coverage. Medicare and Medi-Cal are government systems with established fee schedules and outright bans or very limiting restrictions on balance billing.

If California succeeds in banning or severely limiting balance billing, it will be a giant step toward regulating fees in private practice. If you are concerned about this action, then you need to learn more at www.cmanet.org and help by writing to the Department of Managed Care in opposition to these regulations or testifying against them."

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