



MAG Advocacy Brief

HEALTH INSURER PATIENT BILLING TACTICS

Health insurance companies now direct almost every aspect of patient care. They unilaterally set the rates that they will pay physicians for the patient care they provide, while they sell policies that don't include enough providers to unsuspecting patients who must bear additional out-of-network costs. It's also alarming that a growing number of health insurance plans offer no out-of-network benefits whatsoever.

If the Aetna/Humana and Anthem/Cigna mergers are allowed to go through, the combined entities will control nearly 90 percent of the individual health insurance market in Georgia. These mergers would exacerbate the physician shortage and undermine the economic viability of Georgia's health care system – especially in rural areas where hospitals and medical practices are struggling to keep their doors open.

Physicians have little leverage when it comes to negotiating the terms of their contracts with insurers, which are imposing take-it-or-leave-it agreements and unilateral, mid-term amendments with growing impunity. In addition, the gap between the cost of delivering the care and the payments providers receive grows wider with each passing day. Physicians often feel compelled to sign substandard contracts to get paid, while those who attempt to negotiate with insurers or get included in a particular network are often ignored.

Today's physicians often don't know whether they are in or out of a given health insurance network because of the proliferation of rental networks, unilateral contract revisions, and dated and unreliable insurer databases. Physicians who discover that they were out-of-network and didn't have a contract with the insurer at the time they deliver the care must try to collect the difference between what the insurer is willing to pay (i.e., the in-network benefit/rate) and their normal fee from the patient – keeping in mind that the majority of health insurance plans aren't required to offer out-of-network benefits. This is especially prevalent in ER and other time-sensitive health care settings. MAG believes that there are several important steps that health insurers in Georgia should take to end the need for this practice...

- Expanding the size and depth of their physician/provider networks.
- Being more credible and transparent about the physicians and other health care providers who are in their networks and updating their network directories at least once a month.
- Offering fair, consistent contract terms – and taking steps to develop agreements to ensure that every physician/provider at a given facility is “in-network” so patients have budget certainty and peace of mind.

Contact Marcus Downs at 404.797.0488 or mardowns@mag.org for additional information. With more than 7,800 members, MAG is the leading voice for the medical profession in Georgia – which includes physicians in every specialty and practice setting. MAG membership has increased by more than 35 percent since 2010. Go to www.mag.org for additional information.