Presented in Committee - February 21, 2019

TEMPORARY HALT TO BALANCE BILLING

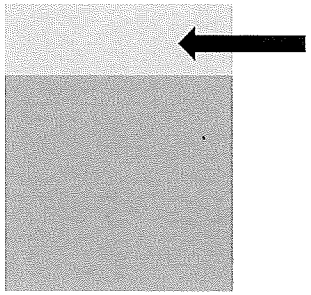
BOARD OF SUPERVISORS
GOVERNMENT AUDIT & OVERSIGHT COMMITTEE
FEBRUARY 21, 2019

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

PRESENTATION OVERVIEW

1. BALANCE BILLING
2. TEMPORARY HALT TO BALANCE BILLING
3. PATIENT FINANCIAL ASSISTANCE PROGRAMS
4. PATIENT COMMUNICATIONS
5. NEXT STEPS

BALANCE BILLING



PATIENT'S INSURANCE COVERS ONLY A PORTION OF A HOSPITAL BILL AND THE **PATIENT BECOMES RESPONSIBLE FOR THE REMAINDER.**

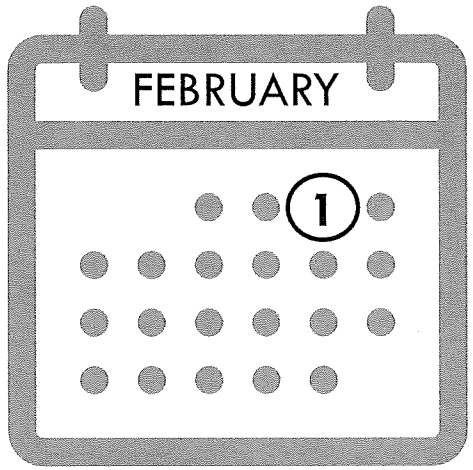
CA PROHIBITS BALANCE BILLING FOR EMERGENCY SERVICES FOR PLANS REGULATED BY **DEPT OF MANAGED HEALTH CARE (DMHC)**

- 13.1 million enrolled

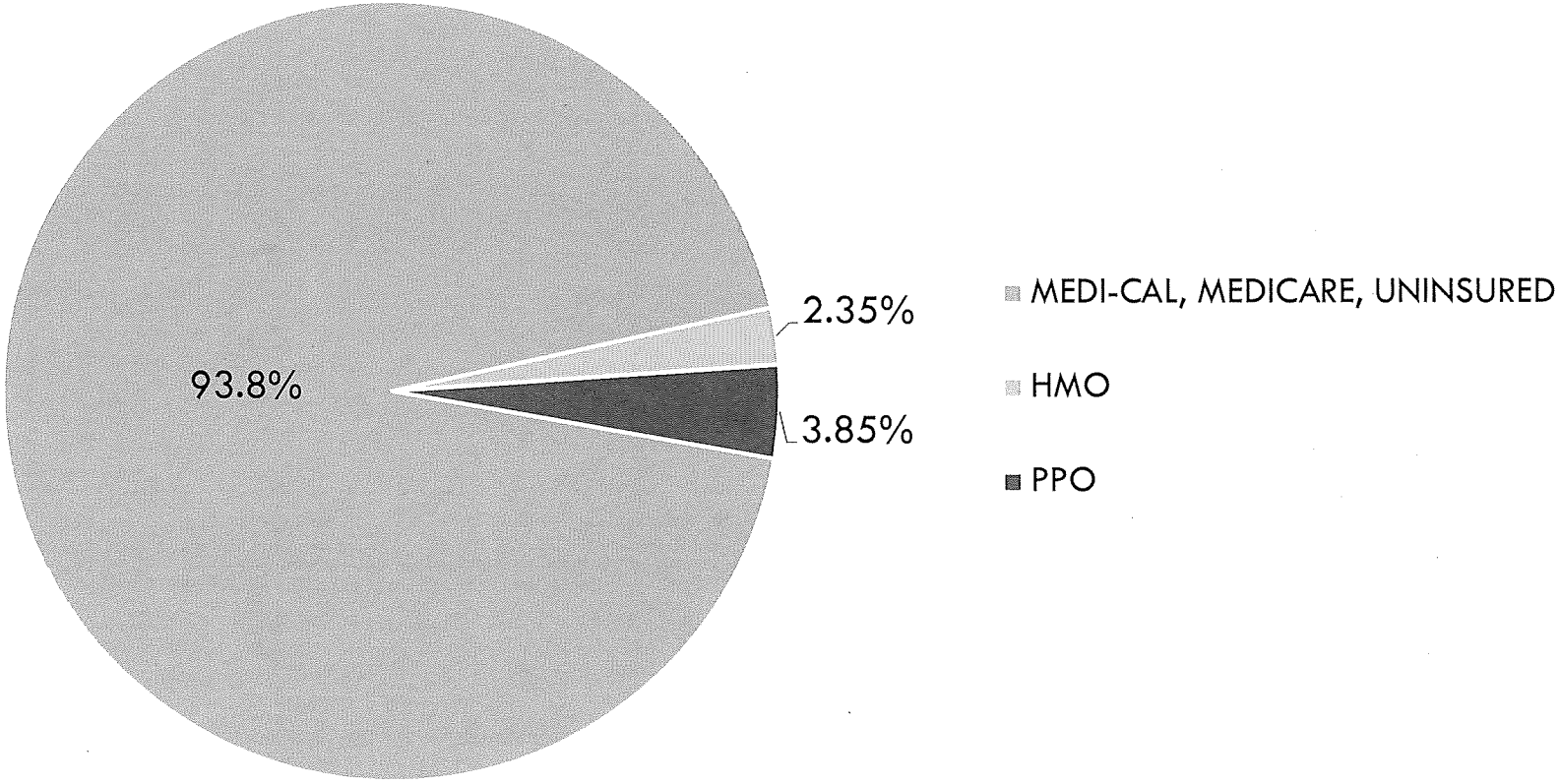
TEMPORARY HALT TO BALANCE BILLING

- SFDPH <u>will not</u> continue or initiate any balance billing of patients during the temporary halt.

- Patients seen **before February 1** who were potentially affected by balance billing are included in the temporary halt, as are patients seen **on or after February 1**.

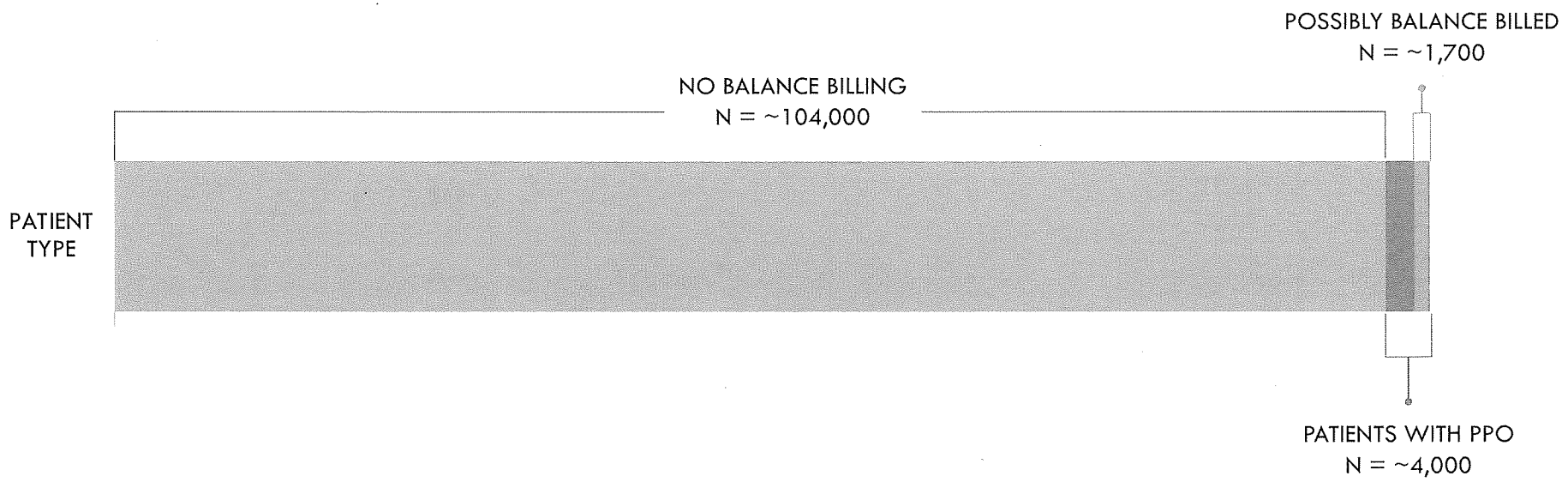


ZSFG PATIENTS BY PAYOR TYPE: FY17/18

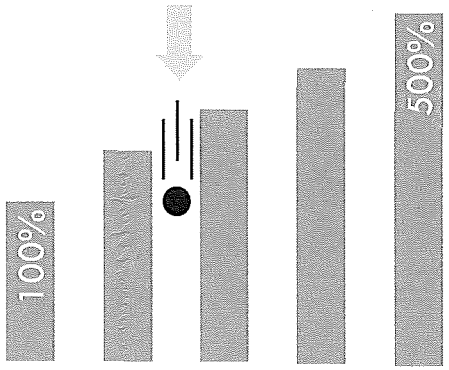


ZSFG BALANCE BILLING POPULATION – FY17/18

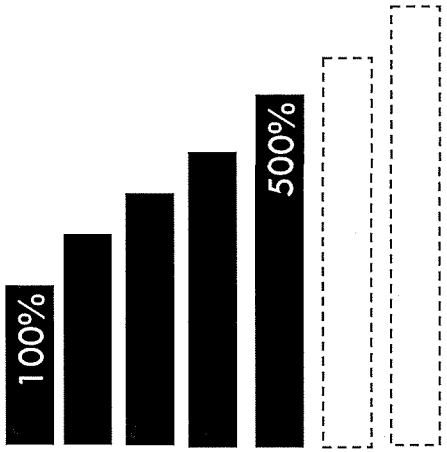
Up to 1,700 with preferred provider organization (PPO) plans potentially affected by balanced billing for varying amounts



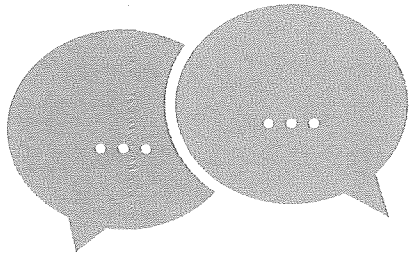
GAPS IN PATIENT FINANCIAL ASSISTANCE



GAPS IN COVERAGE FOR PATIENTS ≤500% FPL

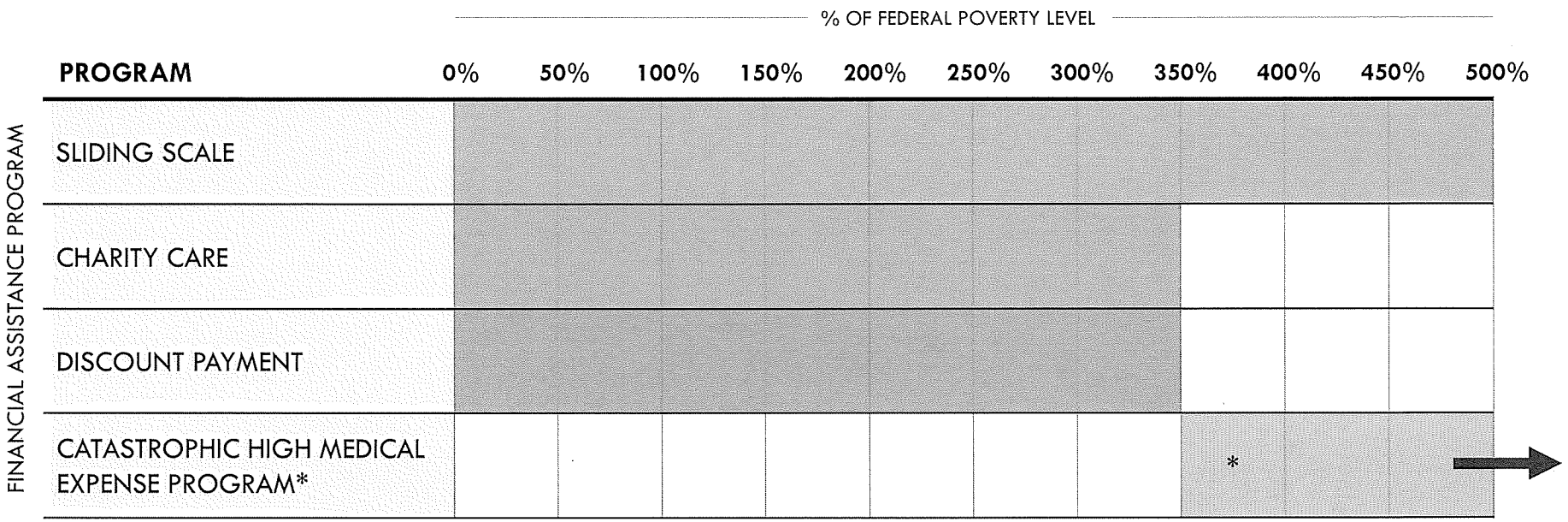


GAPS IN COVERAGE FOR PATIENTS >500% FPL



IMPROVE PATIENT EXPERIENCE & COMMUNICATION

ZSFG FINANCIAL ASSISTANCE PROGRAMS BY FPL



* PATIENT'S GROSS FAMILY INCOME IS ABOVE 350% FPL

KEY PRINCIPLES INFORMING CHANGES

- **Protect patient financial well-being,** while still ensuring commercial **insurance companies pay a fair rate** for services

- Implement an **income-based scale of financial assistance programs,** where lower income applicants receive a greater discount than higher income applicants

- Establish appropriate and fair **caps on out-of-pocket payments including for patients greater than 500% FPL**

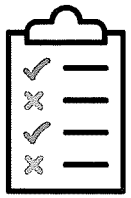
KEY PRINCIPLES INFORMING CHANGES

- Ensure **fairness in application of asset tests** so that non-liquid assets won't unfairly prevent low- and moderate-income patients from qualifying for assistance

- **Comply** with local, state and federal laws

- Make the financial assistance process as **easy, fair, and transparent** as possible for patients

PATIENT COMMUNICATION OPPORTUNITIES



PROACTIVELY ASSESS A PATIENT'S ELIGIBILITY FOR ASSISTANCE.

ENGAGE PATIENT IN PAYER APPEAL PROCESS

DELAY 1st PATIENT STATEMENT THAT CONTAIN A DISPUTED AMOUNT *OR* ARE PROCESSED AS OUT-OF-NETWORK

PATIENT COMMUNICATION OPPORTUNITIES (CONT.)

USE ALL COMMUNICATION OPPORTUNITIES TO PROVIDE INFORMATION ABOUT THE MANY DIFFERENT FINANCIAL ASSISTANCE OPPORTUNITIES.

PUBLICIZE THE **PATIENT FINANCIAL SERVICES** HOTLINE (415) 206-8448

CREATE & DISTRIBUTE BILLING **FREQUENTLY ASKED QUESTIONS (FAQ)**

NEXT STEPS

- **DEVELOP A DETAILED PLAN** AFTER 90 DAYS
- **REVIEW PEER HOSPITAL** BILLING POLICIES AND PROCEDURES
- **STUDY OF REGIONAL HOSPITAL CHARGES** INCLUDING TRAUMA CENTERS AND ACADEMIC MEDICAL CENTERS
- **EXPLORE INSURANCE AGREEMENTS**
- **WORK WITH STATE PARTNERS** TO EXPLORE ADDITIONAL EFFORTS TO IMPROVE INSURANCE PAYMENTS

Good morning supervisor.
My name is Nelly Liu. You might have read about my story from Vox's coverage on ZSFGH billing this week. Mayor Breed said, in an emergency, people's focus should be on getting help quickly, not on what hospital they should go to.

But, that wasn't the choice I was offered when I fell rock climbing last Sept. I didn't go to ZSFG even it was closer to me, because it was out of network. I argued with the UCSF ER docs who were transferring me to SFG, the only hospital could treat a trauma patient in this city, because it was out of network. Not until a doc said, 'if you were my daughter, I would send you there right now. Don't you understand?' that I finally go onto the ambulance. I was worried I would end up with a huge bill during the entire recovery process, which I did for $28,254 and spent 5 months resolving. I understand ZSFG's mission to serve people who are underserved, and I truly appreciate the exceptional care I got there. Yet, ~~you~~ it's the only trauma center in SF, and ~~you~~ it should treat every patient that truly needs your care, regardless what insurance coverage they have.

In my opinion, no patients seeking care should argue with their doctors that she doesn't want to go to the only trauma center that can treat her because it's out of network.

No one should have to choose between life and death based on insurance billing, and no one should be penalized for choosing life.

I hope Zuckerberg SFG hospital will have coverages with private insurance providers going forward, ~~and also~~ retroactively cancel bankrupt billing for patients affected and ~~bring~~ shedding more transparency into ER billing ~~plans~~ practices.

Thank you.

Nicki Pogue

District 10 resident

Board of Supervisors Testimony
February 21, 2019

In August, I spent five hours in SF General's ER with a viral syndrome that presented life-threatening symptoms. In September, I received a bill of **$13,000.** After insurance, I was left with a nightmare balance of **$10,000**.

After 5 months of fighting + appealing

The bad news is that United Healthcare finally agreed to cover this balance – this is bad news because it rewards the hospital's unfair billing practices. SF General refused to negotiate.

Let me itemize six issues for you:

1. **SF General expects privately-insured to subsidize uninsured care**

A hospital spokesman told the media outlet Vox: "We feel like we have to recoup what we're able to from people who are insured because we're supporting people who don't have insurance." Why should I be expected to subsidize uninsured patients, to the tune of $10,000? This is not a fair or sustainable system.

2. **Insurance plans only cover out-of-network facilities at the Medicare rate**

This leaves patients holding the bag on huge differences. Vox found cases where SF General billed up to *12 times the Medicare rate*.

3. **SF General's practices lack transparency**

During my intake, I was never informed I'd be responsible for a significant bill *because* I had private health insurance. I'd have been better off saying I had no insurance or going elsewhere. Patients deserve transparency and choice.

4. **The hospital seems to classify patients to maximize revenue**

My bill designated me a LEVEL V ER patient, with a fee of $11,000. According to ER acuity scales, I should've been classified a Level III -- and yet SF General arbitrarily placed me in the most expensive group, with no explanation.

5. **Its prices are unreasonably high**

In comparing local prices, it's indisputable that SF General far exceeds other hospitals. A "Level V" ER visit is listed at $11K compared to $7K at St Mary's and $5K at CPMC.

Finally

6. **California legislation does not protect patients from SF General's billing practices**

For example, AB 72 forbids balance billing for emergencies – but only if the facility is in-network. SF General is out of network for ANYONE with insurance. The hospital preys on this exemption.

{BREATHE... }

SF General is my closest hospital. I received excellent care there. But its billing practices are an embarrassment to our city. I hope no San Franciscan will ever have to go through this nightmare again. Thank you for making this egregious problem a priority.