



Physicians Caring for Texans

January, 2014

Dear colleague:

For the past six months, I have had the opportunity to travel the state and meet with Texas physicians. Many of you have expressed your concerns and fears about the new Affordable Care Act (ACA) requirements that deny or delay your payments. I heard your concerns, and I want you to know the Texas Medical Association is taking action to fix these issues.

At the top of the list is the 90-day grace period for patients participating in the health insurance marketplace. Before the ACA, when a person failed to pay his or her premium, the insurance company could terminate coverage at the end of that month. As you may know, the ACA now requires insurance companies to provide 90 days for a patient with subsidized marketplace coverage to pay all unpaid premiums. During the first 30 days of the grace period, insurers must pay for physician services provided to the patient. However, federal rules allow health plans to pend claims for services incurred in the second or third month of that window.

This law doesn't make any sense and is wrong. TMA has talked to the Centers for Medicaid & Medicare Services about the possible harm this regulation can cause to practices across the state. Officials there acknowledged it's problematic but have not taken steps to fix it. This is not acceptable.

Fortunately, qualified health plans offered on the exchange also are regulated by state law. This includes Texas' prompt payment laws. This means, even during the grace period, all prompt payment timelines apply. However, even under state law, if a patient does not pay his or her ACA premium, an insurance company may recover any amounts paid in the last two months of the ACA grace period. Payments made in the first month cannot be recovered and stay with the practice. TMA has reached out to Texas carriers directly to make sure you are paid for your services, and once paid, you are able to keep your money.

The good news: Blue Cross and Blue Shield of Texas (BCBSTX) has stepped up to the plate.

BCBSTX President Bert Marshall says, "We recognized the difficulties presented by the federal law and rather than holding or denying claims filed during the grace period, BCBSTX will pay physicians. We have a very good track record of working with our members to make sure they get their premiums paid." If that doesn't happen within 90 days, however, BCBSTX will cancel the patient's membership consistent with ACA guidelines and seek recovery of payment for services in the second and third month of the grace period. The insurer will notify doctors of those recoupments through an explanation-of-benefits notice if patients don't follow through in paying their premiums.

TMA is calling on other insurers to follow BCBSTX's example.

In the meantime, please take time to educate yourself about the ACA exchange plans. TMA has three excellent resources on its website:

- [ACA Exchange Plans: Questions and Answers for Texas Physicians](#). We will continue to update the fact sheet if other carriers follow the lead of BCBSTX.
- “[Untested Waters: Marketplace means decisions for doctors](#),” December 2013 issue, *Texas Medicine*.
- [Health Insurance Exchange: Business Impact](#). This hour-long discussion, led by TMA’s Lee Spangler, vice president, Medical Economics, can help you understand how the exchange plans will play out in your practice. Find out about payer networks and contracts, patients who don’t pay their premiums on time, and more. And, earn 1 *AMA PRA Category 1 Credit*[™].

TMA is listening and taking action to fix ACA requirements affecting your practice and your payments. Please feel free to call me or TMA staff.

Sincerely,



Stephen L. Brotherton, MD
President
Texas Medical Association