

# Conflicts Abound

---

## Providers & Facilities Fight Back

August 18, 2020

©Copyright 2020, The Phia Group, LLC

Icons: Line graph, Notepad, Dollar sign, Bank building

1

### Phia Group Consulting

#### STAY AHEAD OF CORONAVIRUS

**COVID-19**  
CORONAVIRUS DISEASE 2019

Contact Us At [PGCReferral@phiagroup.com](mailto:PGCReferral@phiagroup.com)  
with any and all questions on COVID-19

©Copyright 2020, The Phia Group, LLC





Icons: Line graph, Notepad, Dollar sign, Bank building


2

## Overview

- Updates
- PGC FAQs
- Political Update
- Industry Hot Topics
- Provider Relations in the COVID-19 Era


©Copyright 2020, The Phia Group, LLC






3


## Today's Speakers




**Adam V. Russo, Esq.**  
Chief Executive Officer




**Ron E. Peck, Esq.**  
Executive Vice President & General Counsel



**Jason Davis**  
Sr. Vice President, Provider Relations








**Jennifer M. McCormick, Esq.**  
Sr. Vice President, Consulting



**Brady C. Bizarro, Esq.**  
Director, Legal Compliance & Regulatory Affairs

©Copyright 2020, The Phia Group, LLC






4

## Follow Us!

Looking to stay updated on the latest health insurance industry news?



**Click on the link below to follow our LinkedIn page!**




or

Go to LinkedIn and search for [The Phia Group, LLC](#)

©Copyright 2020, The Phia Group, LLC





5

## Download the Podcast!





or

Listen to our podcasts on our website!  
[www.phiagroup.com/Media/Podcasts](http://www.phiagroup.com/Media/Podcasts)

***Thanks for listening!***

©Copyright 2020, The Phia Group, LLC





6

## Thanks for Listening!

Special Shout-Out to  
**Ward Humphreys**  
 Senior Vice President of the  
 National Health Care Practice



Ward told us:

“In addition to three kids, I have an 85-pound Old English Sheepdog named Nigel, who likes to sleep on his back and is scared to death of thunder and lightening.”

*Thanks for listening!*

©Copyright 2020, The Phia Group, LLC



7

## PACE® Certification

The PACE® Certification program will educate you using 3 distinct chapters of information:

### Chapter One

Explore the ins and outs of self-funding while learning about its risks and rewards. This chapter will transform any individual into a self-funding pro.

### Chapter Two

Take a deeper dive into the laws that apply to self-funded plans. We cover it all, from federal preemption to adverse benefit determinations and appeals.

### Chapter Three

Explain what PACE is, what PACE does, and how it's obtained, implemented, and utilized.



**UPDATE!** 75% of PACE Certified TPAs are reporting the tools provided have already increased their PACE plan-adoption rate, resulting in increased revenue for the TPA, and more employers being protected.

Please contact Michael Vaz at [mvaz@phiagroup.com](mailto:mvaz@phiagroup.com)  
 or 781-884-4971 if you are interested in learning more.

©Copyright 2020, The Phia Group, LLC



8

## Subrogation Value Reports

### Sample Client Subrogation Value Report

Report Date: 03/18/2020      Phia Effective Date: 01/1/2015

**Current Stats**

- 25,000 Member Lives
- 876 Current Claim Investigations
- \$1,609,300 Active Case Value
- \$488,082 Expected Recoveries – Short Term
- 32,347 Total Records Handled
- 213 Current Active Cases
- \$1,126,272 Expected Recoveries

**Industry Comparison**

1 Active For Every 117 Member Lives Vs. Industry Average Of 1 Active For Every 500 Member Lives  
Recovered \$30 Per Member Life Vs. Industry Average Of \$5 Per Member Life

**End of Year Stats**

Year	Member Lives At Start	Recovery Cases	Recovered Amount	Member Lives Per Active Case	Recoveries Per Member
2019	25,000	160	\$750,000	117	\$30
2018	24,000	150	\$600,000	150	\$28
2017	21,670	140	\$433,400	165	\$20
2016	20,722	130	\$316,830	200	\$15
2015	19,500	100	\$195,000	220	\$10

**Your Revenue**      Total To Date: \$122,462

### Sample Group Subrogation Value Report

Report Date: 03/19/2020      Phia Effective Date: 01/01/2017

**Current Stats**

- 500 Member Lives
- 10 Current Claim Investigations
- \$62,500 Active Case Value
- \$1,193 Expected Recoveries – Short Term
- 651 Total Records Handled
- 11 Current Active Cases
- \$27,104 Expected Recoveries

**Industry Comparison**

1 Active For Every 125 Member Lives Vs. Industry Average Of 1 Active For Every 500 Member Lives  
Recovered \$25 Per Member Life Vs. Industry Average Of \$5 Per Member Life

**Average Case Age**      Number Of Days From Accident Date To Settlement: 82.6% of Your Cases Are Made Within Business Days

Your Average	Phia BOB Average	Your MVA Average	Phia BOB MVA Average
608 days	609 days	564 days	564 days

**Historical Recovery Rate – ERISA Law Plans By Circuit**

Circuit	Cases	Your Recovery %	Phia BOB Recovery %
4	8	96%	81%
5	7	95%	69%
8	6	70%	69%
11	5	86%	52%

Page 1 of 3

©Copyright 2020, The Phia Group, LLC

9

## Introducing Phia’s Client Success Team

### What Is Our Client Success Team?

- Centralized point of contact for all clients
- Relationship-focused client managers
- Align client and operations goals

### What Will the Team Do for Me?

- Find out anything Phia is doing wrong, fix it, and ensure you are happy with our services
- Identify any delays or roadblocks preventing us from doing our jobs
- Deliver all reports and resolve any issues associated with them
- Fully analyze, utilize, and interpret Value Reports and other reporting tools
- Respond to routine file specific client questions (e.g., status on file #12345)
- Provide subject matter expert (“SME”) assistance as needed

Key Contacts		
Rebekah McGuire Dye	VP, Customer Success	502-807-3994, <a href="mailto:Rebekah.McGuire-Dye@phiagroup.com">Rebekah.McGuire-Dye@phiagroup.com</a>
Michael Vaz	Sr. Client Success & Account Manager	781-884-4971, <a href="mailto:mvaz@phiagroup.com">mvaz@phiagroup.com</a>
Krista Belanger	Client Account Manager	502-213-5704, <a href="mailto:KBelanger@phiagroup.com">KBelanger@phiagroup.com</a>

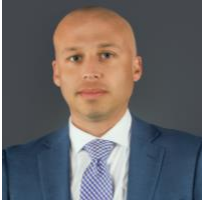
©Copyright 2020, The Phia Group, LLC


10

## Phia International

### Jason Davis


Senior Vice President of Provider Relations










### Nick Fitzsimmons

Senior Director of Provider Relations







\*https://www.publicdomainpictures.net

11



## Engagement Summary

Organization: Phia Customer Since: January 1, 2020 Plan Year Start: January 1st Reporting Period: January 2020 to June 2020



Return On Investment

# 6.3x





### Top Navigations Performed


Population Health	49
Care Plan	18
Benefits Education	17
Specialist Visit	7

## Testimonials

“The specialist to whom my PCP referred me said that surgery was the only option. Rightway located the Pain Management Physician I am now seeing. They are working with me to manage the pain without surgery.”

“My wife’s cancer treatment aggravated a pre-existing heart condition, requiring a surgical procedure. Her oncology team referred her to a cardiac team at the same facility. Rightway confirmed this was the best facility, but directed us to a superior surgeon within the same department. It was a complete success.”



© Copyright 2020, The Phia Group, LLC

12

## PGC FAQs

### #1. When will the HIV PrEP preventive service coverage take effect?

- On 6/11/19 the USPSTF released a Grade A recommendation for coverage of HIV PrEP.
- ACA requires preventive coverage at 100% for USPSTF recommendations.
- Final regulations generally provide plans must provide coverage for these services for plan years beginning on or after the date that is one year after the date the relevant recommendation is issued.

### #2. What does the new HHS Rule on cost sharing & patient assistance programs mean for plans, and is the disagreement on accumulator programs finally resolved?

- On 5/14/20, the HHS final rule confirmed that amounts patients receive from manufacturer assistance is not required to count towards OOPM.
- The rule allows plans to choose whether to count towards the OOPM.
- Plan language must clearly outline the intention of the Plan Sponsor.
- Take note that several states have passed legislation on this topic, however.

©Copyright 2020, The Phia Group, LLC



THE PHIA GROUP  
EMPOWERING PLANS

13

## Political Update

- Congress Fails to Pass a COVID-19 Package
  - Important healthcare policies are at stake
    - Surprise billing
    - Price transparency
    - Telehealth policy extension
    - COVID-19 testing funds
    - Provider relief money
    - Liability protections for employers and providers
    - COBRA subsidies
- Coronavirus Relief via Executive Order?
  - Payroll tax cut, unemployment benefits, eviction moratorium, student loan payment pause
  - Republicans have called this “constitutional slop,” but who will challenge them?
- Trump to Release New Healthcare Plan via Executive Order
  - Will require health insurers to cover all pre-existing conditions
  - Administration is still suing in the Supreme Court to dismantle the ACA
  - Administration once again has missed its own deadline, no plan yet

©Copyright 2020, The Phia Group, LLC



THE PHIA GROUP  
EMPOWERING PLANS

14

## Political Update

- Executive Order on Drug Pricing to Take Effect August 25th
  - But he hasn't released the text of the order
  - Trump's plan would implement "favored nations" pricing
  - Medicare would start paying the lowest price in the world (int'l pricing index)
  - He called on drug companies to "do something" before the order takes effect
  - Is it more noise?
  
- Joe Biden Picks Kamala Harris (D-CA) for the Democratic Ticket
  - Brief background on Harris
  
- Kamala Harris' Healthcare Positions
  - Initially co-sponsored Bernie Sanders' Medicare-for-All plan, but then backed off, wanting to keep private insurance intact
  - Proposed a public Medicare-like option which would cover ER visits, doctor's visits, vision, dental, hearing, mental health, birth control, etc.
  - Supports allowing Medicare to negotiate drug prices

©Copyright 2020, The Phia Group, LLC



15

## Industry Hot Topics

### COVID-19 Public Health Emergency Will Be Renewed

- Updated Guidance on Lay-offs, Furloughs & Minding the Gap w/ Health Plans
  - Note: DOL issued new optional FMLA forms; definitely something employers navigating leave scenarios should consider as they provide additional explanations.
  
- Employer Groups Winding Down Health Plans
  - Logistics Behind Shutting Down a Plan When They Close Their Doors
  - Run Out Issues on Insolvent Employer Groups
  
- Virtual / Telehealth
  - Vendors vs. In Network "Virtual" Visits

©Copyright 2020, The Phia Group, LLC



16



## Industry Hot Topics

### COVID-19 + Subrogation

- The Concern
  - 70-year-old Michael Flor of Seattle's \$1,122,501.04 medical bill
- The Reality
  - Percentage of claims that are COVID related: 0.0065%
  - We are looking at 0.058% of patients having a COVID claim
  - Average Charge Per Case: \$6,984.82
  - Average Paid Per Case: \$3,392.27

©Copyright 2020, The Phia Group, LLC



17

## Industry Hot Topics

### COVID-19 + Subrogation

- Dependent Upon Presumptive Illness Rules:
  - Does the State Recognize Presumptive Illnesses Under Their Workers' Compensation Law(s)?
  - If Yes, Is COVID-19 Recognized as an Eligible Condition?
  - Who is Eligible for Such Presumptions?
  - Are Specific Types of Workers' Designated for COVID-19 Presumptions?
  - If Not, Must the Eligible Person be an "Essential Employee," and if so, How Are Essential Employees Defined?

©Copyright 2020, The Phia Group, LLC



18

## Industry Hot Topics

### COVID-19 + Subrogation

- Some states go case-by-case (by profession) in establishing whether the risk of infection qualifies as an occupational disease.
- Many states issued guidelines but haven't implemented legislation.
- State Highlights
  - Ohio: A law exists in Ohio, that recognizes certain diseases contracted while employed to be "presumed" work injuries. Most of the diseases listed are due to some sort of chemical exposure.
  - In Washington D.C. "Essential Employees" (healthcare facilities, public works, food handling, social services, communications and technology, etc.) should be eligible for benefits if exposed at work.

©Copyright 2020, The Phia Group, LLC



19

## Provider Relations in the COVID-19 Era

### Balance Bills

- Anti-Surprise Balance Bill Proposals & Status
- States We Are Watching:
  - Arizona
  - California
  - Colorado
  - Connecticut
  - Delaware
  - Florida
  - Georgia
  - Illinois
  - Indiana
  - Iowa
  - Maine
  - Maryland
  - Massachusetts
  - Minnesota
  - Mississippi
  - Missouri
  - Nevada
  - New Hampshire
  - New Jersey
  - New Mexico
  - North Carolina
  - Oregon
  - Pennsylvania
  - Rhode Island
  - Texas
  - Vermont
  - Virginia
  - Washington
  - West Virginia

©Copyright 2020, The Phia Group, LLC



20

## Provider Relations in the COVID-19 Era

### Balance Bills

- State Efforts Abound
  - California, Texas, Florida, New Jersey, New York, and Pennsylvania require insurers to hold enrollees harmless for amounts beyond in-network level of cost sharing.
  - All of those States but Pennsylvania also prohibit out-of-network providers from billing enrollees for any amount beyond in-network cost sharing.

©Copyright 2020, The Phia Group, LLC



21

## Provider Relations in the COVID-19 Era

### Balance Bills

- Generally, these protections apply to:
  - HMO and PPO enrollees; and,
  - Claims For:
    - Emergency services by out-of-network professionals;
    - Non-emergency services provided by out-of-network professionals at in-network facilities;
    - That are Provided by all or most classes of health care professionals.
- Some States want to provide a payment standard
- Protections generally do not apply to:
  - Ground ambulance services;
  - Enrollees who consent to non-emergency out-of-network services; and,
  - Enrollees in self-funded plans

©Copyright 2020, The Phia Group, LLC



22

## Provider Relations in the COVID-19 Era

### Provider Response “Types”

- The Desperate Provider – Will Make a Deal
  - Description – Provider realizes that a reasonable amount of payment today is worth more than attempting to collect an unreasonable amount over a very long time, perhaps never
    - “A Bird in the Hand is Worth Two in the Bush” mentality
    - These are the most reasonable providers
    - Effective Tactics – Present the provider with a reasonable offer based on Medicare and its equivalent discount percentage; explain that the amount owed simply isn’t affordable for the patient and payment without a negotiation isn’t likely

©Copyright 2020, The Phia Group, LLC



23

## Provider Relations in the COVID-19 Era

### Provider Response “Types”

- The Hungry Provider – Getting Tough and Pursuing Every Penny
  - Description – Provider desperately needs the funds, but is willing to risk it all to get more
    - An “All or Nothing” mentality
    - Effective Tactics – Time is an ally, and the hunger gets the best of them. If you are aware of a percentage discount they eventually offer to patients or other plans (after a drawn out process), starting near but below that discount while presenting objective data concerning the usual and customary charge for the same procedure is a good first step
    - Using objective data allows you to show charges aren’t in-line with the rest of the industry, they aren’t “cutting us a deal,” and are therefore getting 100% of what is fair.

©Copyright 2020, The Phia Group, LLC



24

## Provider Relations in the COVID-19 Era

### Provider Response “Types”

- The Righteous Provider – Won’t Negotiate but Will Cut Deals with Patients
  - Description – These providers put a premium on having an in-network contract, and believe any other approach threatens the sanctity of said network
    - A “We Don’t Negotiate With Terrorists” mentality
    - They refuse to negotiate with “insurance” plans regardless of whether they are self-funded or not; regardless of whether the plan has already paid what it is legally required to pay and – in fact – any reduction agreed upon is not to benefit the plan, but rather the patient.
    - They insist that companies can afford to pay the medical bills, if they cannot they should have a fully funded policy.

©Copyright 2020, The Phia Group, LLC



25

## Provider Relations in the COVID-19 Era

### Provider Response “Types”

- The Righteous Provider – Won’t Negotiate but Will Cut Deals with Patients
  - Description – These providers put a premium on having an in-network contract, and believe any other approach threatens the sanctity of said network
    - They will however offer financial assistance or a large discount directly to the patient, if the patient knows what to do and how to do it
    - This allows them to advertise that they help patients that cannot afford their services
    - Effective Tactics – Explain that you are negotiating on behalf of the patient; this is not a discount for the plan. When that fails, coach the patient on how to secure a discount, and the plan will then bankroll the patient’s payment

©Copyright 2020, The Phia Group, LLC



26

## Provider Relations in the COVID-19 Era

### Provider Response “Types”

- The Oblivious Provider – Keep on Keeping on
  - Description – COVID? What’s that?
    - An “I’m Just Doing My Job” mentality
    - This provider pursues the balance, doesn’t understand how the plan works, and isn’t interested in discussing it. COVID hasn’t impacted their philosophy either!
    - They simply follow the process – demand 100%, keep it up for a fixed period of time, and then send it to collections
    - Effective Tactics – Wait for it to go to collections and strike a deal with them. They are more likely to be “hungry” or “desperate” – See prior slides!

©Copyright 2020, The Phia Group, LLC



27

## Thank You!

**Join us for our next free webinar:**  
**September 22, 2020 at 1:00pm EDT**  
[www.phiagroup.com/media/webinars](http://www.phiagroup.com/media/webinars)



©Copyright 2020, The Phia Group, LLC

28