



METROPOLITAN MEDICAL SOCIETY
OF GREATER KANSAS CITY

To: House Insurance Committee
From: Jill Watson, Executive Director
Metropolitan Medical Society of Greater Kansas City
Date: February 15, 2012
Subject: HB 2565 Concerning health care expense transparency

Thank you Chairman Schultz and committee members for the opportunity to appear before you in support of House Bill 2565.

The Metropolitan Medical Society of Greater Kansas City (Metro Med) represents nearly 800 practicing physicians in the Kansas City area. Each year, we develop a list of legislative priorities based on the input of our physician members. For nearly a decade, our members have asked to know real-time information from insurance companies about how much their patients owe for their medical procedures. Without this information, practices lose their best opportunity to collect the patient's portion of their expense. After the patient leaves the office, the likelihood of collecting a balance due goes down dramatically.

For 10 years, Metro Med has advocated with insurance companies, through the X12 Committee, and now through legislation to remedy this problem. Insurance companies have answered by providing information on their websites and in their call centers. While we appreciate the spirit of these tools, they fall short of what is needed to really be useful to practices. Ironically, these tools actually add cost to the health care system because practices have to hire people to utilize the tools, and they still lack the level of detail necessary to be useful.

HB 2565 makes real-time information about patient financial responsibility a reality. It will give medical practices new information that will empower patients and physicians to make more informed decisions at the time of service.

Reliable, actionable information about including:

1. Is the patient eligible for benefits?
2. What are the patient's benefits?
3. What is the patient's co-payment?
4. What is the patient's allowable amount based on CPT code, diagnosis, and fee schedule?
5. What is the patient's deductible and what is the remaining deductible balance?

The absence of it is killing small medical practices. I expect we will hear today about the growing account receivables in medical practices due to increasing deductibles and the lack of accurate information about patient financial responsibility at the time of service.

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We estimate that practices can save at least 50% of the cost they are currently dedicating to get some of this information via phone and/or insurance company's individual web sites. It needs to be stressed and understood that the information currently being provided is not consistent and is incomplete. The reduction in accounts receivable collection efforts will more than likely be reduced as well since more patients will pay at the time of service. With HB 2565, patients will know what their out of pocket expenses are for the office procedures as well as their surgical procedures. Patients prefer to pay their out of pocket expenses the day the services are rendered. This information will allow patients to know what their out of pocket expense is the day they buy health care services. Real and immediate health care administrative expense reduction is possible.

Metro Med urges you to vote in favor of HB 2565.