



## **Testimony in Support of Senate Bill 523**

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Senate Health Care Committee

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Chair Monnes Anderson and Members of the Committee,

Thank you for the opportunity to submit testimony in support of Senate Bill 523. Senate Bill 523 deals with the 90-day time period—also called the grace period—during which a person who is covered by a subsidized plan through a health insurance exchange has health coverage, even if they've fallen behind in their premium payments. The goal of the grace period is to increase access to care and continuity of care by preventing insurers from cancelling coverage if individuals are struggling to keep up with payments.

This requirement stems from the federal Patient Protection and Affordable Care Act and has led to some uncertainty for health care providers. The federal law requires insurers to be responsible for payments to providers for the first 30 days of the grace period. However, the law does not specify who is responsible for paying providers during the final 60 days of the period. In practical terms this means the provider, and ultimately the patient, is responsible.

ONA works with several hundred nurse practitioners (NPs) throughout the state. Many of them own their own small businesses, and struggle with the same challenges other providers face. Verifying insurance coverage is one of these challenges. It can be very time consuming for a practice, particularly small practices with limited administrative staff.

SB 523 and its proposed amendments simplify the administrative requirements for providers related to the grace period, increase the chances that a provider is reimbursed, and in certain situations, require that the insurer cover claims during the final 60 days of the grace period.

Currently, many practices call a patient's insurer to verify insurance coverage prior to any patient visits. ONA has heard from some NPs that when they call an insurer may report only that a patient is covered and not that the patient is in the grace period and that the insurer isn't obligated to reimburse any claims.

One practice reported that the grace period has led to a lot of confusion among patients about the status of their coverage. Additionally, some reimbursements have been made in error during the latter part of the grace period, causing administrative burden for the practice that had to sort this out with the insurance company.

Transparency, and a requirement that insurers promptly respond to provider inquiries with complete information about the grace period status of a patient, will foster better

communication with patients and will allow providers to know up front that they will need to work with their patient to find another form of payment, or that they will not be reimbursed. This solution will help providers better anticipate if and how a claim might be reimbursed and it gives them an opportunity to have a conversation with their patient about payment, and about other resources that may be available for patients struggling to pay premiums.

The -3 amendment is a much simpler solution and requires that the insurer, the risk bearing entity, reimburse claims for the entirety of the 90-day grace period. This would reduce the need for some of the nuanced communication about where in the grace period a patient is, and would increase the reliability of reimbursement for the provider during this time period.

ONA urges your support of SB 523 and the -3 amendments.

Thank you for your consideration.