Testimony in Support of Senate Bill 523 A
May 13, 2015
House Health Care Committee
Sarah Baessler
Director of Health Policy and Government Relations

Chair Greenlick and Members of the Committee,

Thank you for the opportunity to submit testimony in support of Senate Bill 523 A. Senate Bill 523 A 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 days 31 through 90 of the grace 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. Still, most of these practices do verify coverage prior to seeing a patient. They know that without doing this, there's a possibility they won't be reimbursed.

SB 523 A increases transparency around the grace period by requiring insurers to tell providers that a patient is in the grace period, when the provider verifies coverage prior to a visit. If the insurer fails to tell a provider that a patient is in the grace period when the provider asks, they would then be responsible for reimbursing claims during day 31-90.

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

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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 may 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.

ONA urges your support of SB 523 A.

Thank you for your consideration.

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