



- providing current information on health care industry issues and legislation

## The Patient Protection & Affordable Care Act Requirements for Tax Exempt Hospital Organizations

As part of The Patient Protection and Affordable Care Act, new requirements have been established for 501(c)(3) hospital organizations. To qualify as a 501(c)(3) organization that operates at least one hospital facility, Section 501(r) of the Internal Revenue Code imposes four new requirements.

Community Health Needs Assessment. Every facility must conduct a community health needs assessment no less than once every three (3) years. This assessment must take into account input from a variety of constituents who represent the broad interests of the community that the hospital serves, including individuals with knowledge and expertise in public health. These needs assessments must create an implementation strategy to meet the needs of the community.

Financial Assistance Policy. Every hospital facility must adopt, implement, and publicize a financial assistance policy. This policy must provide a written description of eligibility criteria for financial assistance and if the assistance includes free or discounted services, the basis for calculating patient charges, and the actions taken in the event of non-payment, including collections and reporting to credit agencies. Additionally, these policies must outline the steps taken to provide care for emergency medical conditions, regardless of the patient's ability to pay.

Limitation on Charges. Each facility may bill for emergency or medically necessary care provided to individuals who qualify for assistance, at amounts no more than the amounts generally billed to individuals with insurance. Additionally, these facilities are not permitted to use gross charges when billing individuals qualifying for financial assistance.

Collection Processes. A facility will no longer be permitted to take extraordinary actions to collect on a debt without first attempting to make reasonable efforts to determine if the person is eligible for assistance under the hospital policy.

These requirements are effective for taxable years after March, 2010. The one exception to this deadline is that initial community health needs assessments need to be completed by March, 2012. Failure to comply with these new rules in any three-year period could lead to fines of up on \$50,000 and the possible revocation of a facilities 501(c)(3) status.

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## Ingenix Update

**By: Candace Thomas**

Last year, New York State Attorney General Andrew Cuomo conducted an investigation of Ingenix and United Healthcare. This was due to questions surrounding the reimbursement of out-of-network medical claims. The investigation found that Ingenix was using low and unusual rates to determine reasonable and customary rates for out-of-network services. This resulted in insurers reimbursing providers at an incorrectly low rate, shifting costs to patients.

As part of its settlement with New York's Attorney General United Healthcare will create a new database on out-of-network rates. This new database notwithstanding, the situation demonstrates to insurance companies the need to regularly audit key databases, as well as the increasing risk companies run for relying on those databases. It also raises the question of how insurance companies can or should go about assessing the underlying assumptions being utilized by these databases.

Given the importance of such tools perhaps this situation will stimulate the development of new databases and new methods to review and determine the reasonableness of medical costs.

To help ensure that **H.H.C. Group** is utilizing the most accurate information for our clients, **H.H.C. Group** utilizes a variety of databases, including our own internal proprietary database, when determining the reasonableness of charges.

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## Patient Protection and Affordable Care Act to Promote Changes for Doctors

With the passing of the Patient Protection and Affordable Care Act, \$26.4 billion dollars over 10 years is being directed to assistant primary care physicians improve their practices. With several studies indicating that improved primary care can lead to improved overall health, this measure is seen as key to helping improve the patients overall health. To assist primary care physicians with this goal, the law also helps to improve coordination among private practice physicians. By using technology to more easily track a patients medical record, a primary care physician will also be able to more effectively coordinate with a patients other doctors, such as specialists, to ensure timely care that meets all of the patients health needs.

In addition to utilizing technology to better track a patients medical history. The law emphasizes the use of nurses, social workers, dietitians, telephone counselors, data crunchers, transition coaches, and guideline instructors to help improve a patients overall health. With all of these individuals working as a team with the doctor to improve and implement services such as follow-up services, it is anticipated that this will result in the overall improved care for the patient.

Finally, the law calls for tracking this progress through the newly created Patient-Centered Outcomes Research Institute. This agency will look towards collecting data to compare the effectiveness of various treatments to determine the best and most economical treatment for common illnesses and diseases. By improving not only record keeping and services provided by primary-care physicians at the patient level, but by also looking at outcomes on a larger scale, the overall health of patients should improve.

The examples below demonstrate recent savings achieved through our **Medical Review Program**. If a claim is unusually high and the provider will not negotiate or does not participate in any of our 230 **plus** contracted PPOs, the claim may be a good candidate for a **Line Item or Comprehensive Bill Review**. Please contact your sales representative or Linda Frances Loch, General Manager of Medical Review Programs, at 301-963-0762 ext. 163 or via e-mail at [l\\_loch@hhcgroup.com](mailto:l_loch@hhcgroup.com) for more information on these programs.

## Medical Review Program Bill Review Examples

### Line item bill review savings examples:

**Case A:** Chronic Obesity

**Case B:** Myocardial Infraction

**Case C:** Live Birth with Complications

Bill Amount	Recommended Denial
<b>Case A:</b> \$27,291.68	\$2,225.30 or 8%
<b>Case B:</b> \$47,739.98	\$2,580.75 or 5%
<b>Case C:</b> \$74,817.25	\$8,684.27 or 12%

## Negotiation and Repricing Savings Examples

The examples below demonstrate recent savings achieved through our Negotiation and Repricing Services. If you are currently using only one of our many services, please contact your sales representative or Joe Michaud, Executive Vice President of Sales at 301-963-0762 ext. 110, or via email at [j\\_michaud@hhcgroup.com](mailto:j_michaud@hhcgroup.com) to find out how to access all of our health care cost containment services.

MAY, 2010 EXAMPLES			
TYPE OF SERVICE	AMOUNT BILLED	% SAVED	SAVINGS
NEGOTIATION	\$484,129.75	16%	\$72,619.46
	\$129,708.90	38%	\$49,708.90
	\$52,200.00	74%	\$38,500.00
	\$23,828.16	76%	\$18,028.16
REPRICING	\$25,766.00	68%	\$17,403.92
	\$43,053.22	36%	\$15,585.27
	\$15,840.00	75%	\$11,860.02
	\$56,691.40	20%	\$11,338.28

## 3-Star Preferred Provider Program Additions

One of the strengths of **H.H.C. Group** lies in its relationships with providers. We are pleased to announce the following new program members.

Arundel Ambulatory Surgery Center,  
Annapolis, MD 21401

Alameda Surgery Center,  
Burbank, CA 91505

Alvaro Betancur,  
Boca Raton, FL 33431

C-Health, PC,  
Lebanon, VA 24266

Cardiac Ultrasound Inc.,  
Throop, PA 18512

Charlotte L. Parker MFT,  
Oakland, CA 94609

Elite Vision Care,  
League, TX 77573

Evandale Medical Center,  
Cincinnati, OH 45263

Freund Brothers Optician,  
Linwood, NJ 08221

Gloria Clark,  
El Paso, TX 79925

Health Diagnostic Laboratory I,  
Richmond, VA 23219

Medical Care Associates,  
Prattville, AL 36066

Meneddez Audiology LLC,  
Weiton, WV 26062

Michael Nekoranik DO PC,  
Phillipsburg, NJ 08865

Mid-Town Surgical Center LLP,  
Spring, TX 77391

Midwest Gastroenterology,  
St. Louis, MO 63150

North Central PA Dialysis,  
Cleveland, OH 44101

Orthos Medical Equipment,  
Oklahoma City, OK 73116

Peak Therapeutics LTD,  
Wilmette, IL 60091

Raymond J Luna, MD,  
Livingston, TX 77351

Same Day Surgicare,  
Arlington, TX 76015

Sanjeeb Shrestha,  
Weatherford, TX 76086

Spectracell Laboratories Inc.,  
Houston, TX 77072

Southwest Oklahoma Ambulance,  
Hollis, OK 73550

WM Heasley, PSYD,  
Gloucester, MA 01930

### H.H.C. Group Expanding Medical Review Program Services

In an effort to better serve our clients, **H.H.C. Group** is reorganizing our Medical Review Program to streamline the process, and more efficiently serve our clients. By taking greater advantage of technology and the skills of various staff members, **H.H.C. Group** will be able to process Line Item Bill Reviews, Comprehensive Bill Reviews, and Independent Medical Examination requests in a more timely manner. Additionally, streamlining this process will also allow our sales staff to spend more time in the field to better meet with and service our clients. Please feel free to contact Linda Loch, General Manager, Clinical Services at 301-963-0762 ext. 163, or your salesman should you have any questions or concerns.

#### CONTACT INFORMATION

Additional product/services information: visit  
[www.hhcgroup.com](http://www.hhcgroup.com) or 301-963-0762 ext. 110.

Repricing support/assistance: please contact  
[appeals@hhcgroup.com](mailto:appeals@hhcgroup.com) or 301-963-0762 ext. 212.

Medical Review Program support/information: please contact  
[mrp@hhcgroup.com](mailto:mrp@hhcgroup.com) or 301-963-0762 ext. 163.

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