

Government-Mandated Doctor Contracts: Bad Medicine for Texas

A proposal to standardize contracts between health plans and providers is facing stiff opposition from business and health care leaders concerned about the increased health care costs and the complicated process that would result from such a proposal. Employers are especially concerned with the legislation's attempt to establish a new regulatory scheme for self-funded health plans. House Bill 2016 would increase the ability of providers to dictate the costs of health care while reducing the role of conventional market forces in determining the price of medical services. At a time when national and state leaders are searching for ways to contain medical expenses, there appears to be little support for government efforts that would add unnecessary regulation and increased costs to the health care process. The government-mandated contracts proposed in HB 2016 would do both.

No precedent currently exists for the standardization of business-to-business contracts in a mature managed care environment. Additionally, government-mandated contracts would force consumers and businesses to pay more for medical services with no discernable increase in the quality of care they receive. Texas businesses and consumers are hoping to stop government-mandated doctor contracts before they spread.

Health Plans Offer Steps to Assist Providers with STAR+PLUS Expansion

Effective February 1, 2007, a modified version of the successful STAR+PLUS managed care program was implemented in Bexar, Nueces, and Travis counties in addition to an expansion of the original Harris county pilot service area. The program has a nine-year history of achieving its goal of emphasizing preventive care, improving health outcomes, enhancing the quality of care delivered, providing high client and provider satisfaction, and saving the state money.

To facilitate the transition and in response to questions associated with the expansion, participating health plans proposed an ongoing forum with long-term care provider associations to identify and address operational issues that arise. Through discussions with providers, health plans have learned that a disproportionate number of questions have arisen due to a change in billing information required of providers. Much of the information needed is the result of mandated encounter data standards Medicaid HMOs are required to collect.

In addition to training already provided, health plans temporarily modified pre-authorization processes, increased staffing for provider phone teams, performed individualized review of pending claims, conducted additional training and re-education for providers, and jointly developed an online training tool for long-term care providers. To reinforce its commitment to continue the quality care and service for which STAR+PLUS is known, each participating health plan has also assigned a senior operations management contact to oversee implementation issues during this transitional phase of the program's expansion.

Texas Health Quiz

1. The use of "in-network" providers reduces the cost of health care.
(a) True
(b) False
2. STAR+PLUS is a Medicaid managed care program that:
(a) has received high satisfaction rates from patients
(b) provides preventive care
(c) has saved the state money
(d) all of the above
3. Government-mandated doctor contracts will increase the cost of health care.
(a) True
(b) False
4. "Pay for Performance" allows health plans to reward physicians for:
(a) positive outcomes
(b) increased use of technology
(c) patient satisfaction
(d) all of the above
5. The number of uninsured Texans could be reduced by:
(a) Medicaid reform
(b) Small Business Premium Assistance program
(c) CHIP restoration
(d) all of the above

Businesses Oppose Efforts to Reduce Health Plans Ability to Keep Health Care Costs Down

Business groups are closely watching the movement of a legislative proposal they fear will undo decades of established health care policies aimed at keeping health care costs down. The proposal, House Bill 3568, appears to be aimed at increasing the financial attractiveness of the use of “out-of-network” providers for medical care. If approved, employers and consumers could lose the substantial savings provided by discounted rates made possible through health plan networks. Health plans are specifically designed to provide incentives for enrollees to see providers within their respective networks. As proposed, HB 3568 would limit health plans’ ability to provide those incentives. With increased use of “out-of-network” providers, a consumer’s out-of-pocket expenses would likely be greater, overall health care costs would rise, and premiums paid by individuals and businesses would increase.

In addition to limiting health plans’ ability to offer incentives for “in-network” medical care, the proposal would:

- Reduce the role of conventional market forces in determining the cost of health care by increasing state government’s role in regulating health insurance rates
- Prohibit health plans from terminating providers who habitually refer patients to facilities in which the physician has an ownership interest
- Change state law to make waiving of co-pays and deductibles legal to encourage consumers to go “out-of-network” for their medical care
- Create a new cause of action to allow physicians to go to court to protect their right to balance bill and to self-refer to facilities in which they have a financial interest.

“Insure Texas Kids” License Plate Proceeds Would Fund Outreach for Children’s Health Insurance

The Senate Committee on Transportation and Homeland Security has voted to send to the full Senate a measure creating a special license plate to help fund outreach efforts for children’s health insurance. The proposal, SB 1032 by Senator Carlos Uresti (D-San Antonio), authorizes the sale of a specialty license plate that would include the words “Insure Texas Kids.” Proceeds from sales of the license plate would be appropriated to the Health and Human Services Commission (HHSC) to fund outreach efforts for public and private health benefit plans available for children.

The committee’s action occurred at the beginning of “Cover the Uninsured Week” – April 23-29 – and is intended to provide additional support for efforts to reduce the growing number of uninsured children in the state. Texas currently leads the nation in uninsured children, with over 20 percent, or more than 1.3 million, lacking health coverage.

Trivia answers: 1. a (True) 2. d (all of the above) 3. a (True) 4. d (all of the above) 5. d (all of the above)

Birthdays

May

2 – Sen. Florence Shapiro
6 – Rep. Allan Ritter
8 – Rep. Barbara Mallory
Caraway
21 – Rep. Michael O’Day
22 – Rep. Tan Parker
27 – Rep. Juan Garcia
30 – Rep. Charlie Howard
30 – Rep. Hubert Vo