

Default Report

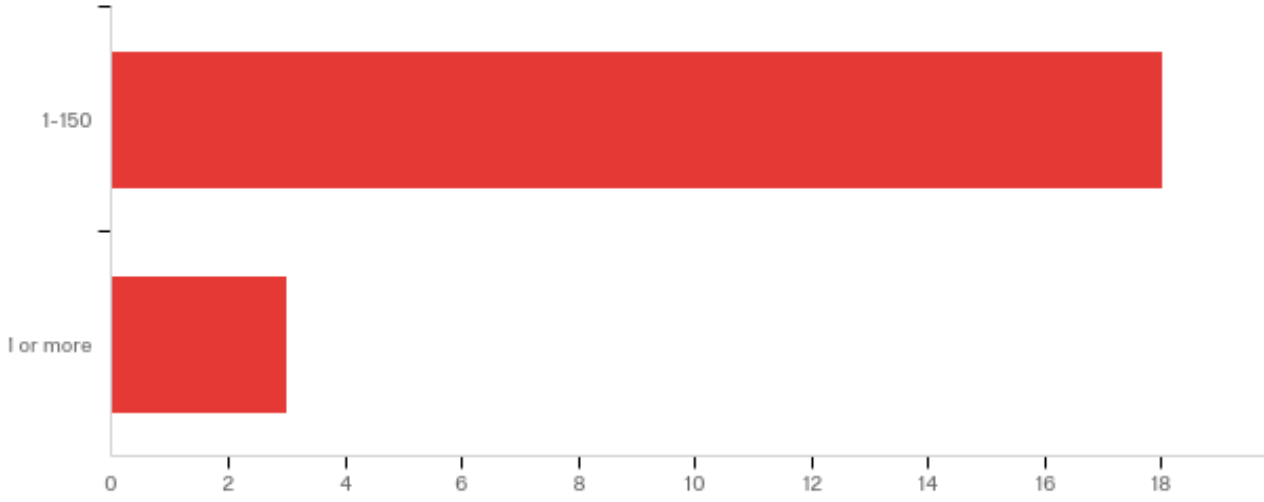
SBIQ: Arbitration per AB 469

January 21st 2020, 5:46 pm MST

Q2 - Please provide the following information:

| Name: | Organization: |
|----------------------------|---|
| David Strull MD | Carson Tahoe Emergency Physicians |
| David Toone | Carson Tahoe Emergency Physicians |
| Sara Ream | Carson Tahoe emergency physicians |
| Ryanne Walther | CTEP |
| Jenny Penrod | Sierra Neurosurgery Group |
| Stephanie Elmquist | Carson Tahoe Emergency Physicians Group |
| Jeremy Gonda | Carson Tahoe Emergency Physicians |
| brett eisenmesser | carson tahoe emergency physicians |
| Scott Parkhill | Associated Anesthesiologists |
| Catherine Topor Diaz | CTEP |
| meg jack | carson tahoe emergency physicians |
| Howard Baron | PGNA |
| Donna W. Juell RN MBA CMPE | Premiere Surgical Specialists |
| Michael Pendleton | Desert Orthopaedic Center |
| Karen Massey | Northern Nevada Emergency Physicians |
| Lisa Mead | Reno Orthopaedic Clinic |
| Steven Sanders | Bone & Joint Specialists |
| Fred C Redfern, MD | Fred C Redfern, MD |

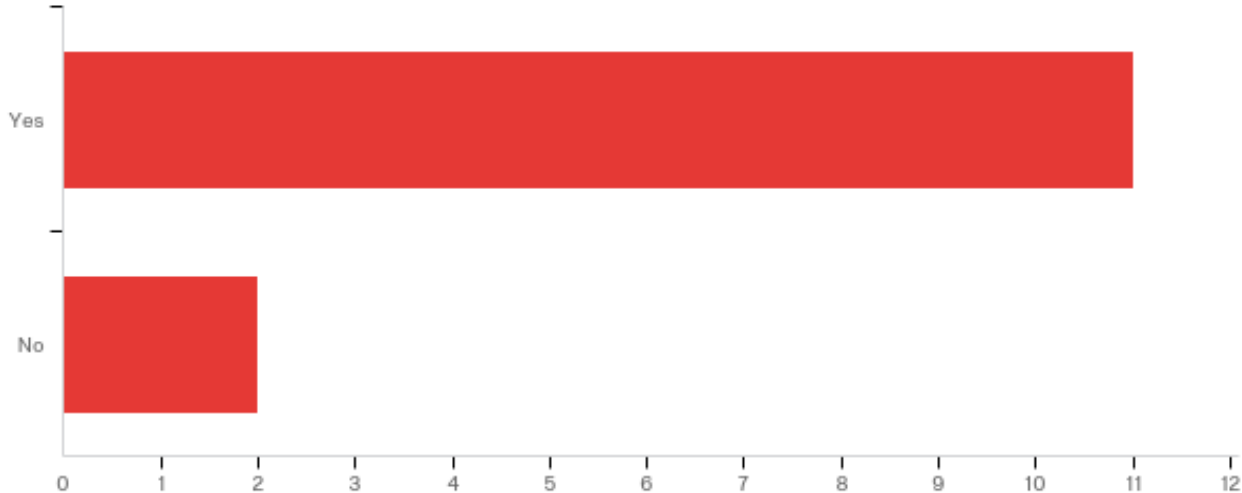
Q4 - 1. How many employees are currently employed by your business?



| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|--|---------|---------|------|---------------|----------|-------|
| 1 | 1. How many employees are currently employed by your business? | 1.00 | 2.00 | 1.14 | 0.35 | 0.12 | 21 |

| # | Answer | % | Count |
|---|-------------|--------|-------|
| 1 | 1-150 | 85.71% | 18 |
| 2 | 151 or more | 14.29% | 3 |
| | Total | 100% | 21 |

Q5 - 2. Will a specific regulation have an adverse economic effect upon your business?



| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|---|---------|---------|------|---------------|----------|-------|
| 1 | 2. Will a specific regulation have an adverse economic effect upon your business? | 1.00 | 2.00 | 1.15 | 0.36 | 0.13 | 13 |

| # | Answer | % | Count |
|---|--------|--------|-------|
| 1 | Yes | 84.62% | 11 |
| 2 | No | 15.38% | 2 |
| | Total | 100% | 13 |

Q6 - Please list each regulation and explain the impact.

Please list each regulation and explain the impact.

e. A representative sample of at least 3 fees received by the provider in the last 24 months for the same service, in the same region, from health plans in which the provider does not participate. There are many aspects of the legislation and how it will be implemented that makes the financial impact on our business and our continued ability to provide emergency services, which includes unreimbursed services to the most vulnerable members of our society, uncertain. Prior to this legislation almost all of our payments were made "in network". Many of these agreements were not direct contracts, but rather were made, through large networks that we participated in. The rates were then made available to the individual individual insurers. Already, we have had one large insurer offer us a contract at less than 40% of the rate they were paying under a network that they had accessed for over ten years. I should add that never in that time did the insurer approach us about a direct contract, but rather both parties seemed content in this relationship. Our attempt to reach a middle ground were meant with simple rejection. I think it is important that the arbitrator consider "in network" payments made to the practice in the past 24 months. "In network" payments should provide a true benchmark of fair market value for the services provided, as these payments were agreed to as acceptable by both parties.

AB 469 will leave for profit insurance companies open to have little incentive to negotiate with hospitals and physicians. This will lead to more time in mediation over billing along with more hardship for physicians and hospitals which could lead to the closer of these. This may also deter quality healthcare providers from working in this state. We need to work together to prevent out of network billing from happening by working with the insurance companies so they have contracts with everyone.

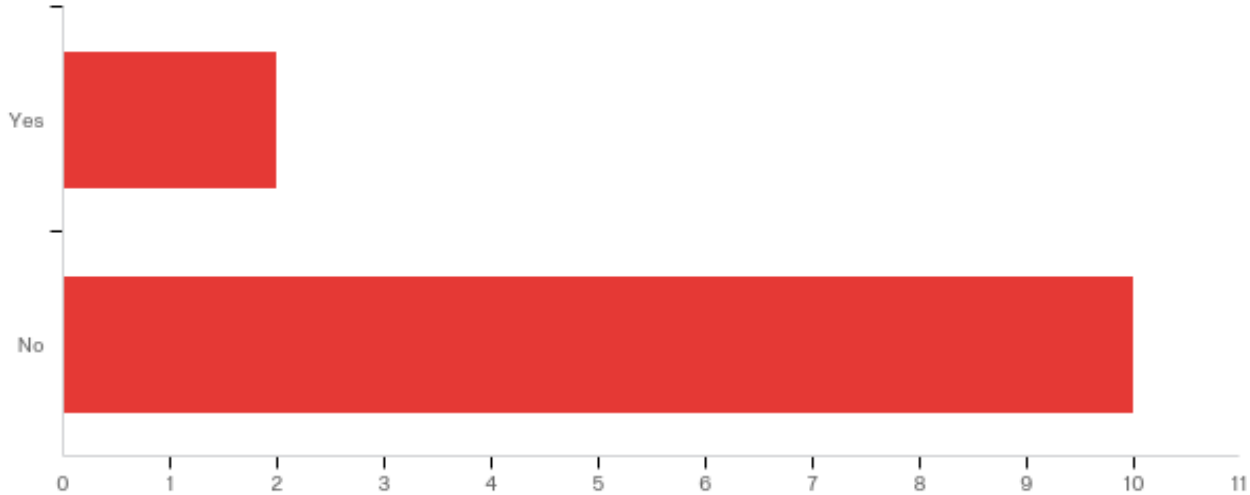
This will significantly burden the business by allowing insurance companies to dictate whether to pay a medical bill or not based on their own definition of "medical emergency" and need rather than what a layperson (patient) and the highly trained medical staff think. This will reduce the ability to pay for services for other patients in need of emergency care as well with a trickle down effect on those most destitute. Businesses like our own may need to close if this regulation goes through further limiting access to emergency medical care for the community.

Decrease needed revenue to keep our Capitol's regional medical center doors open

AB469 We are a small business with 9 physicians. We cover 4 local hospitals for emergency room care. We MUST take care of all patients who come to the ER on our shifts regardless of their ability to pay. ALL of our billing is below \$5000 for this care. We are contracted with all insurances that have negotiated fair pay for our work. The bill will create a HUGE amount of work for our company. This bill was a WIN for the insurance companies who will not negotiate fair payment contracts, they have the staff to do all the paperwork.

AB 469 - The regulations are still being finalized so my response is limited to what I understand about the process at this point.

Q7 - 3. Will the regulation(s) have any beneficial effect upon your business?



| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|--|---------|---------|------|---------------|----------|-------|
| 1 | 3. Will the regulation(s) have any beneficial effect upon your business? | 1.00 | 2.00 | 1.83 | 0.37 | 0.14 | 12 |

| # | Answer | % | Count |
|---|--------|--------|-------|
| 1 | Yes | 16.67% | 2 |
| 2 | No | 83.33% | 10 |
| | Total | 100% | 12 |

Q8 - Please explain.

Please explain.

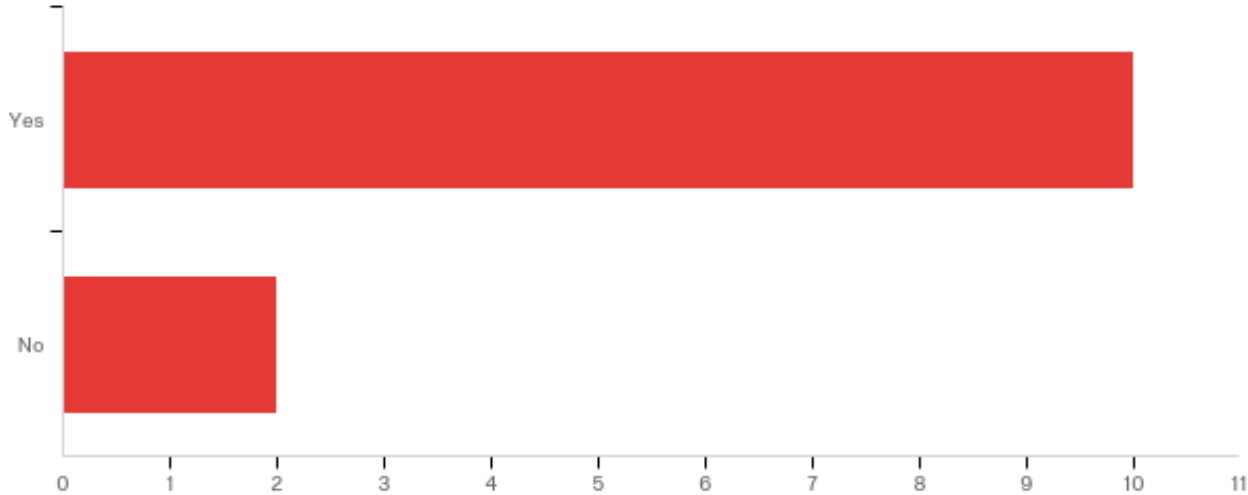
At least for our practice this legislation is a solution looking for a problem. Out of network events were rare in our practice, and as good corporate citizens we were flexible in working with those patients that had financial impact from the decisions of the insurers. Our concern is that insurers will leverage this legislation to simply increase their profits. Emergency services are labor intensive. They require the ability to recruit a highly trained work force and have sufficient staff available 24/7/365 to meet any demand. A significant decrease in reimbursement, which goes not to the patient, but to corporate profits, will jeopardize the continued financial viability of our practice.

See prior answer

I cannot think of a single instance where this bill will have any benefit on our business.

I am pleased that patients will be out of the middle when insurance does not pay market rates. Hopefully, we will receive market rates from the arbitration process which would offset the administration expense of the arbitration process. These outcomes remain to be seen.

Q9 - 4. Do you anticipate any indirect adverse effects upon your business?



| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|---|---------|---------|------|---------------|----------|-------|
| 1 | 4. Do you anticipate any indirect adverse effects upon your business? | 1.00 | 2.00 | 1.17 | 0.37 | 0.14 | 12 |

| # | Answer | % | Count |
|---|--------|--------|-------|
| 1 | Yes | 83.33% | 10 |
| 2 | No | 16.67% | 2 |
| | Total | 100% | 12 |

Q10 - Please explain.

Please explain.

The labor market for the specialized physicians and physician extenders that we need is very competitive. This is an in demand and highly mobile work force. Our concern is that a major impact on reimbursement will limit our ability to compete in this market.

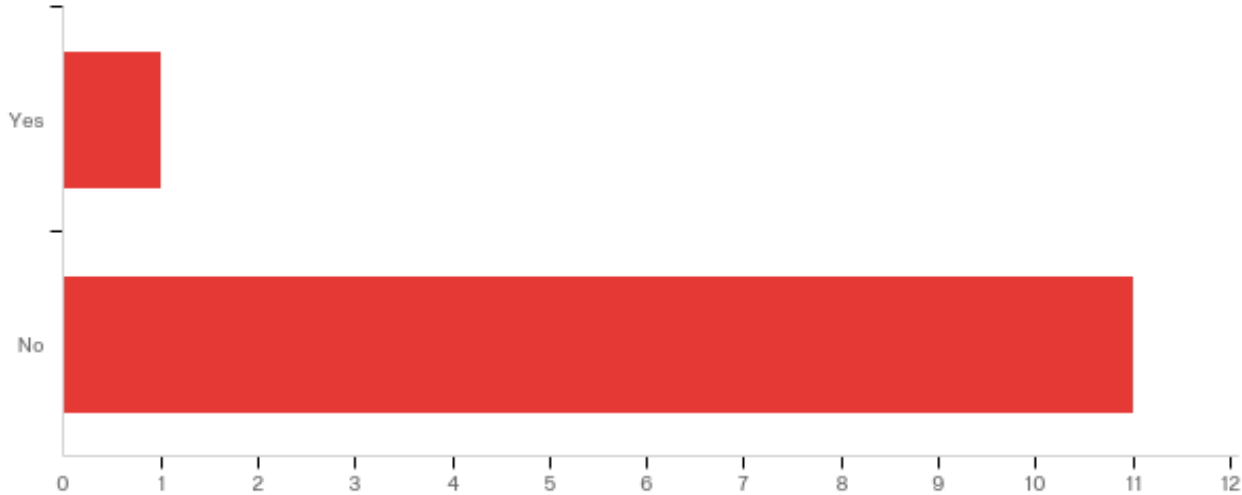
Harder recruit to the area

See prior answer

The added cost of collection from insurance companies that do not want to pay a reasonable amount of money for emergency care received. The added cost of staff time to handle the burden that will be placed on explaining the process to all parties involved.

At the time of passage, we estimated that 0.7% of our patients were Out of Network. In November, Aetna removed itself from an In-Network arrangement with a 3rd party, so that % is now higher. With a volume of approximately 140,000 visits per year and an estimated Out of Network rate of 1% or higher, we will have approximately 1,400+ bills that will require additional manual processing at the very least and possibly arbitration. I anticipate an increase in billing fees due to this process, but I do not have those figures yet as we are still working on the process.

Q11 - 5. Do you anticipate any indirect beneficial effects upon your business?



| # | Field | Minimum | Maximum | Mean | Std Deviation | Variance | Count |
|---|--|---------|---------|------|---------------|----------|-------|
| 1 | 5. Do you anticipate any indirect beneficial effects upon your business? | 1.00 | 2.00 | 1.92 | 0.28 | 0.08 | 12 |

| # | Answer | % | Count |
|---|--------|--------|-------|
| 1 | Yes | 8.33% | 1 |
| 2 | No | 91.67% | 11 |
| | Total | 100% | 12 |

Q12 - Please explain.

Please explain.

Again, out of network events were very rare in our practice. I don't recall of there ever being an instance when an insurer approached us in good faith to execute an "in network" agreement and we could not come to terms. Those rare out of network events were generally the result of an insurer not even attempting to contract, and then reimbursing us at below market rates. In those cases we would work with the patient to allow a fair outcome. In fact, I felt we took better care of those patients than the insurer they depended on.

See prior answer

Absolutely not, the opposite as payers are able to circumvent contracting to get lower rates.

I do not expect benefits for our business, but I am pleased for our patients.