December 9, 2019

The Honorable Lamar Alexander
Chairman
United States Senate
Committee on Health, Education, Labor & Pensions
428 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
United States Senate
Committee on Health, Education, Labor & Pensions
428 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Frank Pallone
Chairman
U.S. House of Representatives
Committee on Energy & Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
U.S. House of Representatives
Committee on Energy & Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Alexander, Ranking Member Murray, Chairman Pallone and Ranking Member Walden,

We understand that your respective committees have reached a broad agreement on key provisions contained in H.R. 2328 and S. 1895 and look forward to reviewing this important legislation. As you are considering additional policies to include in the final package, the Medical Group Management Association (MGMA) expresses opposition to the inclusion of Section 305 of S. 1895, a provision that would require all practitioners and healthcare facilities to send patient bills within 45 days of the date of service or upon discharge.[1] MGMA agrees that patients should receive bills in a timely manner but we are deeply concerned that this proposed method could potentially result in 850 million inaccurate patient bills annually as well as financial penalties that threaten the viability of medical group practices.

With a membership of more than 55,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,500 organizations of all sizes, types, structures and specialties that deliver almost half of the healthcare in the United States.

Throughout the medical billing process, there may be any number of complicated coverage issues that require appeals or continual communications between the medical group, billing entity, and health plan—therefore, extending the amount of time the claim stays with the health plan. MGMA data indicates that the median lag time between the date of service and claim submission by a practitioner to a health plan is only 3 days.[2] As evidenced by this short turnaround time, medical group practices are inherently incentivized to expedite the medical billing process because it is how they are reimbursed for furnishing patient care. However, medical groups cannot send a patient an adjudicated bill until they receive the adjudicated claim from the health plan. MGMA is deeply concerned that the language, as written, places requirements on practitioners to complete this process within 45 days when a significant portion of the claims adjudication process is not within their control. Twenty-seven percent of MGMA members report not receiving adjudicated claims within 45 days of sending them to the health plans.[3] There were

[1] Lower Health Care Costs Act (S. 1895)
[2] 2019 MGMA DataDive Practice Operations, based on 2018 data
[3] MGMA Billing Costs and Time Frame Advocacy Poll, July 2019

approximately 3.2 billion healthcare claims submitted to payers in 2017.[4] If 27% of those claims were not adjudicated within 45 days, that would amount to over 850 million possible incorrect bills.

There are certain services that are not billed as soon as the service is furnished and would automatically violate the timely billing provision. Health plans reimburse for "global surgical periods," meaning that the billing code can include everything from the surgery to postoperative follow-up care. In these cases, of which there are many, practitioners would not bill until the end of the global period. For instance, BlueCross BlueShield reimburses for a 90-day surgical period. The global surgical package includes one preoperative day, the day of the procedure and 90 days immediately following the day of the surgery, for a total period of 92 days.[5] Another common example is global maternity care, which is reported when physicians provide global routine obstetric care, which includes antepartum care, delivery and postpartum care. Providers are reimbursed a global payment for the total physician services related to the pregnancy—which obviously exceeds 45 days by many months.

We welcome the opportunity to continue to work on alternative solutions to the issue of timely billing. For example, implementing a prompt pay standard to require health plans to timely process claims could both mitigate unintended consequences resulting from the 45-day standard and improve patients' timely receipt of bills. If you have any questions, please contact Claire Mansbach at CMansbach@mgma.org or 202-293-3450. Thank you.

Sincerely,

/s/

Anders M. Gilberg
Senior Vice President, Government Affairs

cc:

House Committee on Energy and Commerce
Senate Committee on Health, Education, Labor and Pensions

[4] 2018 CAQH Index: A Report of Healthcare Industry Adoption of Electronic Business Transactions and Cost Savings
[5] BlueCross BlueShield of Texas