



- providing current information on health care industry issues and legislation

## HealthCare Remains on Congressional Agenda

Despite the passage of the Patient Protection and Affordable Care Act earlier this year, healthcare related legislation continues to be a pressing issue as Congress returns from its Memorial Day recess.

Extenders Package. Congress has yet to address the issue of Medicare physician payments. Prior to the Memorial Day recess, the House of Representatives passed H.R. 4213, which contained a 2.2 percent payment increase in Medicare payments for 2010 and 2011, as well as an additional 1 percent increase in 2011. The package is currently being reviewed in the Senate and will likely be revised to include several amendments prior to final passage.

Republican Sponsored HealthCare Act. Republican leaders have introduced H.R. 5424, entitled the "Reform Americans Can Afford Act", which calls for a repeal of the Patient Protection and Affordable Care Act, while replacing it with a series of alternate healthcare reforms. The package includes a set of reforms to address Health Savings Accounts, coverage for persons with pre-existing conditions, and the sale of health insurance across state lines. While the bill will most likely not pass the House of Representatives, it does ensure that healthcare reform will remain a hot button issue throughout the summer, and into the Midterm elections this fall.

Medicare Prescription Drug "Donut Hole". With the PPACA providing for the elimination of the Medicare prescription drug program "Donut Hole", The Centers for Medicare & Medicaid Services (CMS) recently issued guidance to Part D plan sponsors to guarantee that Medicare beneficiaries enrolled in Part D prescription drug plans will see 50 percent in savings on brand name and some authorized generic drugs when they enter the coverage gap, or donut hole, during 2011.

CMS also issued the draft model agreement that drug manufacturers of applicable Part D drugs will be required to sign in order to participate in the discount program. These agreements with manufacturers represent an unprecedented partnership to help millions of Medicare beneficiaries. Discounts will apply when the beneficiary reaches the coverage gap. By providing these discounts, the donut hole will begin to shrink in 2011, with the goal of completely eliminating it by 2020.

### CONTENTS

- 1 Health Care Remains a hot button issue.
- 2 Shorten Hospital stays Don't Equal Reduced Costs
- 2 Red Flags Rule
- 3 Notable Savings
- 4 New 3 Star Providers
- 4 HHC Group MRP Program
- 4 HHC 15 Year Anniversary

## Do Shortened Hospital Stays Lead to Reduced HealthCare Costs?

With individuals and companies looking at a variety of ways to save money while the economy continues to rebound, the issue of shorten hospital stays is being examined for its effectiveness at providing long term savings.

While hospitals and insurance companies may show some short term savings by limiting the time patients spend in the hospital, relapses can lead to increased long-term costs. For example, with studies showing that as many as 25% of all heart-failure patients being readmitted to hospitals within thirty days of discharge, questions begin to arise as to whether short term profits are actually leading to either long-term savings or better overall healthcare.

With the passage of the Patient Protection and Affordable Care Act, and its emphasis on improving overall health, the Act promotes the use of a team of medical personnel including nurses, social workers, dietitians, telephone counselors, data crunchers, transition coaches, and guideline instructors to work collectively with a patient's doctor to help improve a patient's overall health. Additionally, the Patient Protection & Affordable Care Act provides that hospital with high rates of preventable readmissions will be subject to Medicare payment reductions. With the PPACA emphasizing a team approach to ensuring a patients' overall health, it is hoped that the changes will help lead to patients being discharged at the appropriate time, while providing them with the tools necessary to maintain their health once they leave the hospital. Once this is achieved, both companies and individuals will see the short and long term financial savings that they desire.

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## Extension for Enforcement Deadline of Red Flags Rule

On May 28, 2010, the Federal Trade Commission delayed the enforcement of the Red Flags Rule. This rule, once enforced, would require the development of regulations requiring creditors and financial institutions to address the risk of identity theft. As the FTC has issued guidance to indicate that health care providers would be considered a "creditor" under this rule if they do not receive full payment for services rendered at the time of service, the Insurance community has continued to play a role in the implementation of this Rule.

In May, 2010, the American Medical Association and other physician associations filed a lawsuit arguing the this rule should not apply to Physicians. Specifically, the suit claims that treating physicians and their practices similar to banks, credit card companies, and mortgage lenders is unjustifiable.

While the court has yet to rule on the case, Congress has stepped in to recommend that the FTC delay enforcement of this Rule. This has led to speculation that Congress may eventually pass legislation exempting health care providers from having to comply with this Rule, or modifying the rule to reduce the burden to health care providers. Without further action, or a court ruling on the merits of the suit filed by the AMA, the new enforcement date of the Red Flags Rule will be January 1, 2011.

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:** Pectus Deformity Repair

**Case B:** Cardiac Dysrhythmia Necrosis

**Case C:** Iron Deficiency / Anemia

| Bill Amount                 | Recommended Denial |
|-----------------------------|--------------------|
| <b>Case A:</b> \$131,004.08 | \$5,652.59 or 4%   |
| <b>Case B:</b> \$53,162.78  | \$4,199.96 or 8%   |
| <b>Case C:</b> \$25,438.39  | \$9,176.80 or 36%  |

## 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.

| JUNE, 2010 EXAMPLES |               |         |             |
|---------------------|---------------|---------|-------------|
| TYPE OF SERVICE     | AMOUNT BILLED | % SAVED | SAVINGS     |
| NEGOTIATION         | \$79,400.00   | 45%     | \$35,730.00 |
|                     | \$29,600.00   | 36%     | \$10,600.00 |
|                     | \$63,796.12   | 29%     | \$18,796.12 |
|                     | \$8,658.70    | 64%     | \$5,558.70  |
| REPRICING           | \$22,155.00   | 68%     | \$15,165.38 |
|                     | \$10,765.00   | 79%     | \$8,528.41  |
|                     | \$7,416.31    | 89%     | \$6,575.41  |
|                     | \$22,508.08   | 30%     | \$6,752.42  |

## 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.

Acadiana Intra-Operative,  
Lafayette, LA 70507

Arizona Pain Specialists,  
Scottsdale, AZ 85258

Baltimore Washington Medical Center  
Baltimore, MD 21264

Benjamin Seeman,  
Richmond, VA 23226

Big Creek Surgery Center,  
Middleburg Heights,  
OH 44130

Elite Sports Medicine, Inc.,  
Dacula, GA 30019

Focus Behavioral Hospital,  
Baton Rouge, LA 70806

In Home Medical and Respiratory,  
Trevose, PA 19503

Inderjit Hensra-Godfrey MD,  
Aurora, IL 60504

Kalkstein Family Chiropractic,  
N. Huntingdon, PA 15642

Kathleen Mahony RN,  
Newtown Square, PA 19073

Landmark Cardiovascular,  
Cherry Hill, NJ 08034

Pain Management Associates PA,  
Houston, TX 77081

Palms Respiratory, Inc.,  
Tampa, FL 33606

Robert Snow,  
Hurst, TX 76054

Rockside Road Surgery Center,  
Cleveland, OH 44194

Sandra Isaacs Moeller,  
Absecon, NJ 08201

St. Louis Home Health,  
Saint Louis, MO 63179

Stat Anesthesia Specialists,  
Lansing, IL 60438

Stephen O'Neil,  
Greenwood, IN 46143

Thomas Palmer,  
Muskegon, MI 49442

Universal Nursing Services, LLC,  
Wincrest, TX 78239

US Path Inc.,  
New York, NY 10001

Wayne Hospital Company,  
Greenville, OH 45331

Wilkes-Barre General Hospital,  
Boston, MA 415616

**THANK YOU**  
**FOR**  
**15 Great Years**  
**(and counting!)**

Bruce D. Roffe, President

### CONTACT INFORMATION

Additional product/services information: visit  
**www.hhcgroup.com** or 301-963-0762 ext. 110.

Repricing support/assistance: please contact  
**appeals@hhcgroup.com** or 301-963-0762 ext. 212.

Medical Review Program support/information: please contact  
**mrp@hhcgroup.com** or 301-963-0762 ext. 102.

Claim referral submission: please contact  
**referrals@hhcgroup.com** or call 963-0762 ext. 131.

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