



Health Care Reform Implementation

The 90 day implementation deadline requirement to set up high risk pools, and therefore provide medical insurance for those with pre-existing conditions, is coming up in July 1st. The pools are temporary, lasting only until 2014, and are meant to help those with pre-existing conditions find affordable health insurance.

To qualify, individuals must have been uninsured for six months. Premiums are supposed to match regular medical insurance, and out-of-pocket expenses will be capped for individuals at \$5,950.

18 state governors have said they will not administer high risk programs, voicing concerns that state governments would end up having to pay some of the cost of

operating them over the next 3.5 years.

The chief actuary at the Centers for Medicare and Medicaid Services has predicted that the \$5 billion allotted for the new program will run out as early as next year. When funds run out, state and federal governments could face difficult choices: reduce benefits, raise premiums or limit enrollment.

Most states already have high-risk pools, but many have been prohibitively expensive and they generally do not meet the new federal requirements.

Meanwhile, it is unclear how soon coverage will be available. The pools will be federally funded but the enrollment dates will vary depending on whether states adopt new laws or regulations.

Doctor's Advise of Simple Things

Pediatrician, Clinical Professor and health policy researcher Donald Berwick is president Obama's nominee for Administrator of the Centers for Medicare and Medicaid Services (CMS). In 1989 he co-founded the Institute for Healthcare Improvement (IHI). In very simple terms this is his vision for health care:

- No Needless Deaths
- No Needless Pain or Suffering
- No Helplessness in Those Served or Serving
- No Unwanted Waiting
- No Waste
- No One Left Out

He actually has recommendations on how to control cost and improve care without spending an extra penny. He

advises to keep medial equipment and surgical sites sterile, and have the doctors and nurses wash their hands more often. This is shamefully simple solution, yet it has to be told to hospitals. Common sense medicine seems to be replaced with drugs and high tech equipment, yet those can be a cause for the wave of infections, such as MRSA and a more recent wave of *Clostridium difficile*.

MRSA (Methicillin-resistant *Staphylococcus aureus*) is a stronger strain of bacteria, that is direct result of overusing common antibiotics.

Clostridium difficile a germ that causes deadly intestinal infections in hospital patients. According to a new study it can float in the air and once it lands in a surface it is transferred to the patient by direct contact. Simply by washing hands with soap and water this germ is killed.

Quote of the Quarter

“One of the unintended consequences of the insurance exchanges [mandated by health reform] might be few offerings from private health plans. If you are dictated a price for your products, but all your customers spend more on care than you receive in premiums, it won't work.”

Thomas Carroll,
equities analyst at
Stifel Nicolaus

Medicare - Rebate Checks

Last week the Health and Human Services (HHS) began sending out \$250 rebate checks to people in the Medicare part D coverage gap - also known as a doughnut hole.

This is an automatic process, no paperwork needed.

The health care reform gradually phases out the prescription gap. Next year beneficiaries will receive a 50% discount on brand name medications and 7% discount on generic drugs. The share Medicare part D beneficiaries pay for both brand-name and generic drugs will decrease until the gap is eliminated in 2020. At that time consumers will

pay the standard 25 % of the costs for drugs while in the doughnut hole. If you are contacted by someone who offers help to receive this rebate please be vigilant. These opportunistic thief's have been calling people on Medicare, pretending to offer help, but all they due is steal identities, both financial and medical. Don't give your social security number or bank account number to anyone over the phone. Please don't fall victim.

If you feel you have been a victim of identity theft please contact [Medicare](#) at 800-633-4227 or the Inspector General Fraud Hotline at 800-447-8477.

Definitions:

HHS: Health and Human Services- is the United States government's principal agency for protecting the health of all Americans and providing essential human services.

CMS: Center for Medicare and Medicaid Services- formerly the Health Care Financing Administration (HCFA).

Coverage Extension for Young Adults

The health care law expanded insurance coverage, for adult children up to age 26 under their parents insurance coverage. This provision will become effective for plans with renewal dates beginning on or after Sept. 23, 2010. For calendar year plans the provisions will become effective beginning Jan. 1, 2011. Plans and issuers that offer dependent coverage must offer coverage to enrollees' adult children until age 26, even if the young adult no longer lives

with his or her parents, is not a dependent on a parent's tax return, or is no longer a student.

It also applies to existing employer plans unless the adult child has another offer of employer-based coverage (such as through his or her job). Beginning in 2014, children up to age 26 can stay on their parent's employer plan even if they have another offer of coverage through an employer.

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Legal Issues or Who is in Trouble this Time?

Owner of Egleston Square Pharmacy, Inc., located in Roxbury, MA has been accused of fraudulently billing MassHealth for over \$300,000 for HIV medications that were never prescribed by a doctor nor dispensed from his pharmacy.

According to authorities, between December 22, 2004 and January 2009, Nsonwu submitted claims for dispensing these HIV medications using the identification numbers of 25 different MassHealth members. Each claim listed a prescribing physician on those claims who never treated those

patients nor prescribed those medications.

Mr. Nsonwu was arrested on March 25, 2010 and was indicted on Medicaid False Claims submitted to MassHealth (18 counts), Larceny by False Pretenses over \$250 from MassHealth (18 counts), Medicaid False Claims submitted to the MassHealth Boston Medical Center HealthNet Program (5 counts), Larceny by False Pretenses over \$250 from the MassHealth Neighborhood Health Plan (2 counts), and Conspiracy to submit Medicaid False Claims (1 count).