

# Thoughts on Reforming Insurance Regulations

By James C. Hall, CPA

**A**s we dig into 2011, it would be helpful for providers to begin analyzing their business operations and the effect of insurance regulations on them. While most providers have spent their lives on patient care and their concern has been on the restoration of their patient's health, insurance companies and federal and state governments have been slowly tightening up payment systems and placing barriers in front of their patients' health care. I think all of us would agree that patients needing health care should receive it, and payers should make sure those needs are legitimately handled.

To fix our insurance problem, we must first understand how things work legislatively. Right now we have 4 federal insurance programs (that I am aware of) and 50 different sets of state insurance laws. The federal programs are as follows:

1. Medicare
2. Medicaid (with federal funds matched by varying levels of state funds, creating many programs and varying interpretations of those programs)
3. Champus/Tricare (military)
4. The Employee Income Retirement Security Act (employers can self-fund their health insurance under these federal regulations.)

After these 4 programs, each state has its own laws, and all insurance companies can operate within those states under their interpretation of those laws. If a dispute arises, the insurance commission of that state steps in to sort things out.



FitTEST Solutions™

The Next Generation  
in Fitness Assessment  
Software...

- Easy Data Entry
- Benchmarked Tests & Measures
- Turn Key Reports

Others Advise. PT's Prescribe. Exercise  
[www.fittestsolutions.com](http://www.fittestsolutions.com)

---

Because some employers have branches and offices all over the United States, it can become confusing as to which insurance laws govern a patient's care.

---

Because some employers have branches and offices all over the United States, it can become confusing as to which insurance laws govern a patient's care. For example, if a patient is injured on the job in Massachusetts and moves to Wisconsin where he continues to receive care, it is natural to assume that Wisconsin laws should govern that patient's care because that is where the provider resides. Unfortunately, Massachusetts' workers compensation laws would continue to be in effect.

So what should be done to change our insurance laws? I don't know the answer, but I certainly would offer up the following thoughts. First, why not find a common ground that everyone could use as a platform? Over the past decade, the Centers for Medicare and Medicaid Services has been reviewing its Carrier, Intermediary and Medicare Audit Contractor system. A slow consolidation has been happening to eliminate inconsistencies in interpretations of medical necessity, payment, and other

frustrations that providers experience. Wouldn't we all feel better if we knew what the rules were before we stepped onto the playing field? If we had standard regulations, I believe there would be fewer court cases to determine whether laws were fairly interpreted and fewer barriers between patients, providers, and insurers.

Second, I don't know how many providers have had an opportunity to file a complaint to their state insurance commission. The circumstances can be enlightening and frustrating at the same time. My personal experiences have been all over the map. For example, a Kentucky-based insurance company sent a Mississippi patient's medical record to our Iowa office. The medical record was returned in one of our window insurance envelopes and that envelope had been opened at the insurance carrier's offices (so it came back via the U.S. Postal Service in an

*VIEWPOINT, continued on page 42*



**You've Got Our Support.**

With a variety of tape from OPTP including SpiderTech, Kinesio, Endura, Leukotape and more.

Whether preventing an injury or recovering from one, support is the name of the game. Like the support provided by Kinesio® Tex Gold™ therapeutic tape from OPTP, which facilitates lymphatic drainage and promotes healing.

With an extensive selection of exceptional taping applications, reference books and DVDs, OPTP provides the support you and your patients can count on.

**OPTP**  
TOOLS FOR FITNESS. KNOWLEDGE FOR HEALTH.

800.367.7393 WWW.OPTP.COM



open envelope). Naturally, I reported this as a HIPAA violation to the 3 states' insurance commission offices. In one case, I received a response that HIPAA was federal legislation, not state legislation, and therefore my complaint should be filed with the Department of Labor. The second state office cited the same

---

A potential solution to the jurisdiction problems would be for the National Association of Insurance Commissioners to convene and establish a complaint clearinghouse.

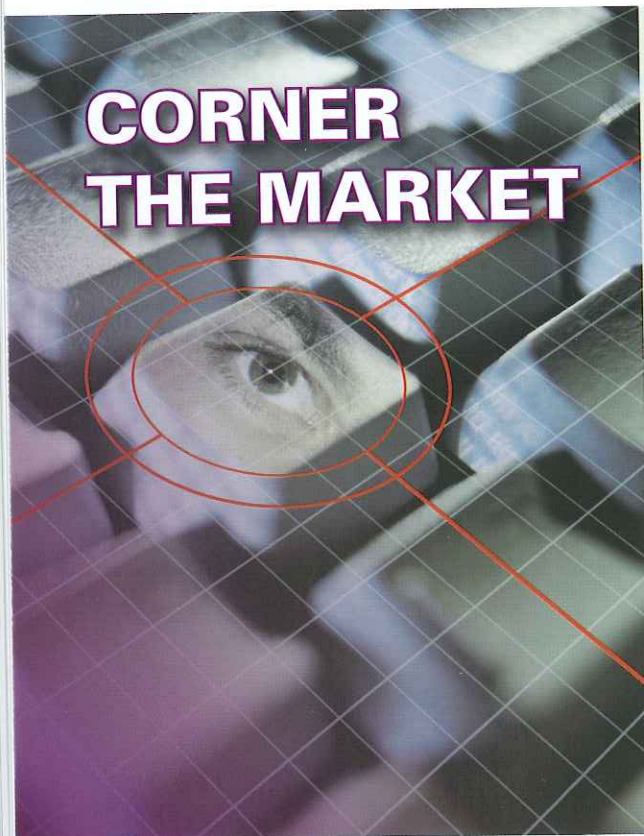
---

thing, but took responsibility for following up with the complaint to make sure there was an appropriate resolution. I am assuming that Pony Express hasn't made delivery to the third state insurance commission's office because I have never received a response—I can only assume they were ambushed along the route. I have had several other instances where the insurance company has informed the state insurance commission (where I filed the complaint) that the patient was insured

outside state lines and therefore, the commission had no jurisdiction in the matter. Even though the insurance company promised to assist us in resolving our immediate problem, it didn't resolve the underlying problem. A potential solution to the jurisdiction problems would be for the National Association of Insurance Commissioners to convene and establish a complaint clearinghouse. If a complaint were filed within a state's boundary and the insurance company asserted that the complaint was outside that state's jurisdiction, the state would broker the complaint to the national complaint clearinghouse to be forwarded to the correct federal or state insurance commission for follow-up and resolution. In other words, it would work the way Federal Reserve banks or our health care claims clearinghouse operates.

In summary, none of this can happen without active voices and participation from health care providers. To be heard, we will need to step up and participate and if necessary, contribute to a professional organization or political party. Without the participation, the efforts to change our poorly functioning system will fail. ■

*James C. Hall, CPA, general manager of a medical billing company, can be reached at 319/892-0142 or Jhall49629@aol.com.*



## Sponsor a Scholarship

Community outreach and involvement is rewarding and beneficial to the community in which you practice. Consider contacting the local school districts to create an annual scholarship for graduating seniors. This can be an annual contribution at the dollar value of your choice. Create eligibility criteria that model your personal objectives in this service-oriented profession. Be present for the scholarship awards event and be involved in the selection and delivery process. You can expand this service contribution to other academic centers such as local colleges or technical schools. This values-driven business opportunity will provide your company with a sense of service and make for a more visible presence for those who may one day need you. ■