



LEGISLATIVE UPDATE
ILLINOIS AAHAM
41ST ANNUAL STATE INSTITUTE
2022

Presented By:
Richard A. Lovich
Managing Partner
LAW OFFICES OF
STEPHENSON, ACQUISTO & COLMAN

Paul Miller



NOT PAUL MILLER



LEGISLATIVE UPDATE



LEGISLATIVE UPDATE

- NSA-
 - We are from the government and we are here to help.
 - Reasonable and customary pricing as a measure of non-contracted reimbursement

REASONABLE AND CUSTOMARY PRICING

- Fair Market Value

REASONABLE AND CUSTOMARY PRICING

- What is Fair Market Value?
- How is it determined?
- What does this have to do with the price of tea in China?



75 CENTS

JULY 7, 1973

The Economy: Recovery Begins

TIME

Rock's Captain Fantastic

Elton John



REASONABLE AND CUSTOMARY PRICING

- What is an NFT?

REASONABLE AND CUSTOMARY PRICING

- Non-fungible tokens (**NFTs**) are cryptographic assets on a blockchain with unique identification codes and metadata that distinguish them from each other



REASONABLE AND CUSTOMARY PRICING

- WORTH?
 - WILLING SELLER
 - WILLING BUYER
 - FREE MARKET
- THIS IS FAIR MARKET VALUE

REASONABLE AND CUSTOMARY PRICING

- MEDICAL SERVICES FAIR MARKET VALUE
 - GOULD FACTORS
 - Department of Health Care Access and Information (Formerly OSHPD) DATA
 - Paid claims data
 - % of TBC received on average from third-party payers
 - % of TBC paid by payer
 - Delta is approximate shortcoming.

REASONABLE AND CUSTOMARY PRICING

- What happened to full billed charges?

NSA-Changes

- IDR considers at least seven factors in making the payment determination.
- (i) the qualifying payment amount (QPA), which is defined as the plan's median in-network rate for same or similar items or services in the applicable geographic area;
- (ii) the provider's level of training, experience, and quality outcomes;
- (iii) the market share of the provider and plan;

IDR FACTORS

- (iv) teaching status, case mix, and scope of services of the provider;
- (v) patient acuity;
- (vi) demonstrations of good faith efforts to enter into a network agreement with the other party; and

IDR FACTORS

- (vii) if applicable, prior contracted rates between the parties in the previous four years. The IDR entity also can submit additional information relating to their offer or any additional information requested by the IDR entity for consideration – except the IDR entity cannot
- **consider usual and customary charges, the billed charges, or any public payor payment or reimbursement rates.**

LEGISLATIVE UPDATE-PRIOR AUTH

- IMPROVING SENIORS TIMELY ACCESS TO CARE ACT:
 - STREAMLINING AND STANDARDIZING PRIOR AUTHORIZATION

Legislative Update

- Senior's Timely Access to Care Act of 2021
 - HR 3173/S3018
- Passed the House of Representatives
September 14, 2022
- Wide-Bi –Partisan support-300 Co-Sponsors
and 500 organizations

Legislative Update

- Why?
 - 13% of services denied prior auth's met Medicare standards.
 - 25% of physicians report hospitalizations were directly related to the need for prior authorization
 - Physicians spend on average 13 hours per week completing prior auth paperwork

Legislative Update- Authorization

- Goals:
 - Electronic Auth process-no faxes
 - HHS to establish real time process for routinely authorized services
 - Require Medicare Advantage Plans to report the use of prior approvals and the rate of approvals and denials
 - Encourage evidence based requirements for authorizations

Legislative Update

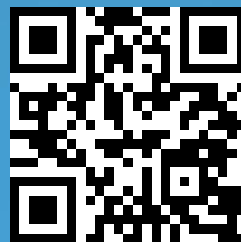
- AAHAM position:
 - Uniformity beyond Medicare
 - Application to all health plans
 - Health plans to accept electronic clinical information
 - Health plan quality and timeliness standards
 - Family of codes –approval of related CPT codes-MRI w/wo contrast
 - Standard list of commonly authorized tests

THANK YOU



Headquarters:
303 N. Glenoaks Blvd, Suite 700
Burbank, California 91502

<http://www.sacfirm.com>



Richard Lovich

Managing Partner-SAC

- Mr. Lovich is Managing Partner at Stephenson, Acquisto & Colman, the premier healthcare reimbursement litigation firm in the country. He is admitted to practice before the United States Supreme Court, the Ninth Circuit Court of Appeals; and all federal and state courts in California. Mr. Lovich has 38 years of litigation and trial experience including serving as chief trial counsel and managing attorney for the Los Angeles law offices of American International Group (AIG) and The Hartford.
- Since 1995, he has held a “Preeminent A-V Rating”, by Martindale-Hubbell, reflecting the highest possible peer ratings in legal ability and ethical conduct; and has been named a "Southern California Super Lawyer" since 2011.
- Mr. Lovich proudly serves as National Legal Counsel to the American Association of Healthcare Administrative Management (AAHAM). In that capacity, in 2016, he testified before the United States Senate Commerce Committee on needed changes to the Telephone Consumer Protection Act (TCPA) and the difficulties presented by that law to the healthcare industry. In 2020 he was selected by Federal Communications Commission Chairman Pai to serve on the FCC Advisory Board to create best practices for voice service providers to protect hospitals from illegal robocalls.
- He has lectured nationally on many revenue cycle topics at large health systems and top university academic medical centers including Stanford University Health, UCLA Health, University of California Irvine Health, University of California San Francisco Health; the Regents of the University of California, Providence-St. Joseph Health, Trinity Health, and Dignity Health.
- Mr. Lovich is married with 5 daughters and three grandchildren. He considers among his career highlights representing Madonna and living to tell about it. He also continues to hold out a never-ending expectation to play center field for the Dodgers.