



# Understanding Balance Billing



**L.A. Care**  
HEALTH PLAN®

A Primer for L.A. Care  
Contracted Providers



# Purpose for this Training

1. With new managed care programs (i.e. Cal MediConnect, Covered California, PASC-SEIU), members and providers may not always be aware of patient costs and fees associated with these programs
2. Recent reports of balance billing warrant increased monitoring by health plans
3. Identified need for provider and patient education on the prohibition of balance billing for covered services

# Training Objectives

- This training will provide L.A. Care contracted providers important regulatory clarification on balance billing, inclusive of the following information:
  - What is balance billing?
  - Why is balance billing prohibited?
  - Steps to take when balance billing occurs.
  - How does balance billing breach L.A. Care contracting and violate federal law?



## Guiding Principle

**Contracted providers  
cannot balance bill a  
Medi-Cal and or  
Medicare eligible  
beneficiary for any  
covered benefit.**



# What is Balance Billing?

- Balance billing occurs when doctors, ancillary providers or hospitals charge beneficiaries for Medi-Cal and/or Medicare covered services.
- Charges can include co-pays, co-insurance, deductibles or administrative fees.



# Examples of Balance Billing

- Providers charging Medicare and/or Medi-Cal eligible members for any covered service.
- Non-contracted or Fee-for-Service providers charging members who are enrolled in managed care for **any** part of a covered service
- Provider offices charging administrative fees for appointments, completing forms or referrals
- Contracted providers charging managed care patients to compensate for the difference between what they charge cash patients

# When Can a Provider Bill?


- Providers may bill patients who have a monthly Medi-Cal share of cost obligation, but only until that obligation is met for the month.
- Medicare Part D patients, including Cal MediConnect, may have a cost share for some prescription drugs
- Cost for non-covered benefits
- L.A. Care plans, including L.A. Care Covered and PASC-SEIU Plans, may require co-pays and co-insurance fees.

# Prohibition of Balance Billing\*

- Per Federal and State regulations, L.A. Care has included prohibitions on balance billing in its provider contracts
- Network providers who engage in balance billing are in breach of their contract with L.A. Care Health Plan
- Providers who engage in balance billing may be subject to sanctions by L.A. Care, CMS, DHCS and other industry regulators.

\*see reference section





# Ways Providers Can Avoid Balance Billing

- Always verify eligibility, particularly if there has been a change in the member's plan
- Don't rely on the patient to show you the right health plan/program card
- When in doubt, call the Provider Group and/or L.A. Care to verify program eligibility and covered benefits



# Steps to Take When Balance Billing Occurs

1. Tell the member – DO NOT PAY THE BILL!!
2. Verify eligibility and determine if the member is a Medi-Cal and/or Medicare member
3. Educate front office staff and billing departments about balance billing protections.
4. Educate patients about their eligibility status and about their rights.

# Step 1: Tell the Member: DO NOT Pay The Bill!

- If your office bills a patient in error, the provider must:
  - Stop immediately upon proof of eligibility
  - Reimburse all erroneous charges if member has paid
  - Call off any collection efforts that have begun
  - Correct any erroneous information sent to member and credit reporting agencies

## Step 2. Verifying Eligibility

- Providers are required to verify beneficiary eligibility
- If a provider has questions about an L.A. Care patient's eligibility, **call L.A. Care at 1-866-522-2736.**
- Providers can also verify beneficiary eligibility by accessing one of the following State eligibility systems:
  - The Automated Eligibility Verification System (AEVS) interactive voice response system at 1-800-456-AEVS (2387)
  - Medi-Cal Website at <https://www.medi-cal.ca.gov/eligibility/login.asp> User ID (Provider ID or NPI) and password (Provider PIN) required.

# Step 3: Provider Education

- L.A. Care takes balance billing of our members very seriously.
- Ongoing education and monitoring is being conducted.
- Provider education
  - Provider focused webinars
  - Provider newsletters
  - Provider website updates
- Contracted provider groups (PPG/IPA) will be required to educate and train network providers
- Contracted providers are expected to adhere to guidance prohibiting balance billing

## Step 4: Member Education

- Member communications have been developed to educate and alert members of their right not to be balance billed by any provider.
  - Member newsletter
  - Website updates
  - Community forum education
- L.A. Care continuously monitors member complaints and grievances related to inappropriate billing practices by contracted and non-contracted providers

# Provider Responsibilities

1. Always verify eligibility at point of service
2. Do not charge any fee to Medi-Cal and/or Medicare eligible patients for covered benefits or services
3. Educate office managers, front office staff and billers on the prohibition of balance billing
4. If unsure, contact contracted Provider Group or L.A. Care to verify eligibility and/or covered benefits/services
5. Monitor practice for inappropriate balance billing
6. React appropriately if balance billing occurs

# Health Plan Responsibilities

1. L.A. Care will educate contracted providers and provider groups on the prohibition of balance billing
2. L.A. Care will educate members on their right not to pay for covered benefits
3. L.A. Care is obligated to monitor instances of balance billing and report offending providers to L.A. Care's Fraud, Waste and Abuse Dept.
4. For repeat instances, L.A. Care is obligated to refer providers to both DMHC and DHCS' Provider Certification Program





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# Reference Section



# Resources and Information\*

- More information about balance billing is also available in the L.A. Care provider manuals at <https://www.lacare.org/providers/provider-resources/provider-manuals>
- Also, information about how to process crossover claims can be obtained at the L.A. Care Provider Service Line at 1-866-522-2736 and at <http://www.calduals.org/providers/physician-toolkit/>

# L.A. Care Contract Language\*

## Billing Members, State and Federal Government.

In the event Healthplan fails to pay PPG for Provider Services rendered to Members pursuant to this Agreement, PPG shall neither (i) hold the State or Federal Government or any agency thereof or any Member liable for any sums owed by Healthplan, nor (ii) maintain any action at law against the State or Federal Government or any agency thereof or any Member to collect sums owed by Healthplan. **PPG is prohibited from imposing any surcharges on Members for covered services and if Healthplan receives notice of any surcharge, Healthplan shall take appropriate action.** PPG shall report to Healthplan in writing all surcharges paid by Members directly to PPG or its Affiliated Providers. Except for applicable copayments, PPG shall not invoice or balance bill a Member for the difference between PPG's billed charges and the reimbursement paid by Healthplan for a covered benefit.

# Prohibition of Balance Billing\*

- ***L.A. Care Members cannot be balance billed***
- ***Federal and State law prohibits billing Members for covered services that are not the responsibility of the Member***
- This prohibition includes co-pays, co-insurance and completion of forms:
  - Section 1902(n)(3)(B) of the Social Security Act, as modified by Section 4714 of the Balanced Budget Act of 1997
  - Title 22 Medical Assistance Program CCR §51002 Beneficiary Billing
  - California Welfare & Institutions Code §14019.4
  - California Health and Safety Code §1379
  - California Health and Safety Code §1262.8



## Mandatory Balance Billing Provider Training Assessment

Provider First and Last Name: \_\_\_\_\_ License #: \_\_\_\_\_

Medical Group/IPA Affiliation (List all L.A. Care affiliations): \_\_\_\_\_

All six questions must be answered to formally accept this assessment. Send completed assessment form to [PNOtraining@lacare.org](mailto:PNOtraining@lacare.org) by **Friday, February 19, 2016**.

1. Charging a Managed Care beneficiary for any part of a covered benefit violates:
  - a. State Law
  - b. Federal Law
  - c. Health Plan contracting
  - d. All of the Above
2. A provider's office regularly will charge all new patients a \$10 administrative fee to schedule the first appointment and complete all medical forms. This is an allowable fee for Medi-Cal and/or Medicare patients.
  - a. True
  - b. False
3. All of the following, except \_\_\_ are examples of member billing exceptions
  - a. Medi-Cal Share of Cost
  - b. Referral fees
  - c. Medicare Part D
  - d. Cost for non-covered benefits
4. Charges to managed care patients must not exceed the difference between what the provider is compensated by the managed care plan and what the provider charges cash patients.
  - a. True
  - b. False
5. Providers who engage in balance billing may be subject to sanctions by:
  - a. L.A. Care Health Plan
  - b. CMS
  - c. DHCS
  - d. All of the above
6. Providers are allowed to balance bill a Medicare or a Medi-Cal patient for a covered benefit under what circumstances:
  - a. Member didn't provide the right identification card
  - b. You are unsure of the Provider Group/IPA to which the member is assigned
  - c. All of the above
  - d. You cannot balance bill a Medicare or Medi-Cal eligible beneficiary for any covered benefit!

***Signing this Balance Billing Provider Assessment confirms you have received and completed the L.A. Care Balance Billing Training and consent to abide by all State and Health Plan balance billing regulatory requirements.***

Signature \_\_\_\_\_

Date: \_\_\_\_\_