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PULSE
AGENCY OF CREDIT CONTROL

CMS Report Highlights Complaints and Enforcement Efforts Under No Surprises Act

The report found over 12,000 No Surprises Act complaints and violations.

The Centers for Medicaid and Medicare Services (CMS) recently released its latest report detailing complaints and enforcement actions under the Public Health Service Act, including the No Surprises Act.

As of June 30, CMS received over 16,073 complaints, of which 12,077 pertain to the No Surprises Act. These include 1,777 complaints against insurers and 10,300 against hospitals, providers, and air ambulance services.

CMS has resolved 12,700 complaints, directing entities such as plans, issuers, and providers to take remedial and corrective actions. This has resulted in $4.18 million in monetary relief to consumers or providers.

Since its implementation in 2022, the No Surprises Act has prevented more than 10 million surprise medical bills, according to a survey by AHIP and the Blue Cross Blue Shield Association. The act, signed into law in December 2020, protects patients with private insurance from being billed above in-network cost-sharing amounts for emergency services or out-of-network care at in-network facilities.

Legal challenges have accompanied its implementation. In December 2021, organizations like the American Hospital Association (AHA) and the American Medical Association sued federal agencies over the income-driven payment (IDR) process, arguing it unfairly favored insurers. The dispute centered on the qualifying payment amount (QPA), set by insurers, which arbitrators were required to prioritize in determining payment rates.

In August 2023, the 5th Circuit Court of Appeals invalidated certain regulations governing how arbitrators weigh QPA in IDR proceedings. The court criticized the rule for placing undue emphasis on the QPA, favoring insurers.

Key Complaints Against Providers and Insurers

The report highlights the most common complaints against providers, including air ambulance services:

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- Surprise billing for non-emergency services at in-network facilities (4,286).
- Surprise billing for emergency services (2,577).
- Issues with good faith estimates (1,922).

For health plans, the top complaints were:

- Noncompliance with Qualifying Payment Amount (QPA) requirements (1,035).
- Late payments following Independent Dispute Resolution (IDR) decisions (675).
- Failure to comply with 30-day payment or denial of payment notifications (390).

Read the report here.

No Surprises Act and Medical Billing

Relatedly, more study of the No Surprises Act is needed to address insurance coverage and medical billing issues, which the Consumer Financial Protection Bureau has targeted in public statements and highlights in its medical debt credit reporting advisory opinion and rule.

For the accounts receivable management industry and health care providers, the No Surprises Act addresses issues related to insurance coverage the CFPB has targeted in its advisory opinion.

Medical Billing Errors and Insurance Denials Widespread in Health Care Sector

One in five insured Americans experience denied coverage for doctor-recommended services, with many failing to challenge these denials.

A recent survey by the Commonwealth Fund found that nearly half (45%) of insured, working-age Americans receive unexpected medical bills or copayments for services they believed were covered by insurance.

Additionally, one in five experienced denied coverage for a doctor-recommended service. Yet, many patients do not challenge these denials.

Among those encountering billing errors or denied claims, fewer than half chose to challenge them, primarily because they were unaware they had the right to do so. This lack of awareness was particularly pronounced among younger individuals (ages 19–34), people under 50, those with low or moderate incomes, and Hispanic respondents. Notably, 60% of younger adults did not know they could challenge a bill, and many others were uncertain about whom to contact for assistance.

Billing Disputes

For those who did dispute billing issues or coverage denials, the outcomes were often favorable. Among individuals who challenged coverage denials, half succeeded in having some or all denied services approved. Similarly, 38% of those disputing medical bills saw their balances reduced or eliminated.

Success rates were even higher among Medicare and Medicaid beneficiaries. Sixty-one percent of Medicare enrollees and 46% of Medicaid enrollees who challenged bills achieved reductions or eliminations.

Coverage denials often lead to significant consequences. Nearly 60% of individuals affected by denials reported delays in care, with almost half (47%) experiencing worsened health conditions as a result.

The Commonwealth Fund outlined several policy changes to enhance protections for insured individuals. Strengthening oversight by the Department of Health and Human Services (HHS) could improve accountability, particularly by monitoring claim denials across all insurance plans and publicly reporting denial rates. Penalizing insurers for repeated wrongful denials or billing errors could further discourage such practices.

Additionally, improving consumer awareness is crucial. Enhancing state and

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NEWS & NOTES

DOJ and States Sue to Block UnitedHealth Merger Over Antitrust Concerns

The Department of Justice (DOJ), along with attorneys general from Maryland, Illinois, New Jersey, and New York, recently filed a lawsuit to block UnitedHealth Group's proposed acquisition of Amedisys, citing anticompetitive concerns. Filed on Nov. 12 in Maryland federal court, the lawsuit alleges that the merger would eliminate direct competition between two of the largest home health and hospice providers in the U.S., creating significant market concentration.

The DOJ claims the merger would give UnitedHealth control over 30% or more of home health and hospice services in eight states and consolidate the industry further, with the three largest providers being tied to major Medicare Advantage insurers, including Humana.

The lawsuit asserts that the merger is "presumptively anticompetitive and illegal" under U.S. antitrust laws. It seeks to prevent the merger, impose civil penalties on Amedisys for alleged noncompliance with the Hart-Scott-Rodino Act, and levy fines against UnitedHealth for violating the Clayton Antitrust Act.

Health Care Bankruptcies Decline in 2024, But Challenges Persist for Rural Hospitals

Health care bankruptcies reached a five-year high in 2023, with 12 hospitals and health systems filing for bankruptcy, but the trend slowed in 2024 due to improved average operating margins. Despite this improvement, smaller and rural providers continue to face significant financial risks.

In 2024, three health care entities filed for bankruptcy. Steward Health Care, which began the year with 31 hospitals, filed in May and underwent significant restructuring, selling or closing facilities while its CEO stepped down amid controversy. CarePoint Health, a three-hospital safety-net system in New Jersey, filed for Chapter 11 in November but secured funding to avoid disruptions and plans to affiliate with Hudson Regional Hospital. Washington Regional Medical Center, a critical access hospital in North Carolina, filed for bankruptcy in October but remains operational with plans to stabilize its finances and invest in its workforce and infrastructure.

Read more here.

Medical Billing cont. from page 2

federal information systems to educate individuals about their appeal rights, coupled with establishing dedicated support systems, could simplify the appeals process. Special attention should be given to younger adults, low-income individuals, and racial or ethnic minorities, who are disproportionately unaware of their rights. These measures would help ensure more equitable health outcomes.

CFPB Delays Medical Debt Advisory Opinion Effective Date to Jan. 2

The delay will allow the judge in ACA's lawsuit time to issue a decision on motions for a temporary restraining order and preliminary injunction challenging the advisory opinion before the effective date.

In response to ACA International's emergency motion for a temporary restraining order and preliminary injunction (PDF) filed this week and a request from the court, the Consumer Financial Protection Bureau has delayed the effective date of its advisory opinion (PDF) on medical debt to Jan. 2, 2025.

"The CFPB's voluntary delay in the effective date is a significant win for ACA and its members while ACA continues to challenge the regulatory overreach in the 'opinion,' including failing to follow the Administrative Procedure Act and rewriting the Fair Debt Collection Practices Act, which it has no authority to do," said ACA CEO Scott Purcell.

The CFPB will post a notice revising the applicable date on its website promptly and publish the notice in the *Federal Register*.

The legal challenge to the CFPB is another step by ACA to fight government overreach and ensure regulators follow the law.

"While it's unfortunate that extraordinary actions are needed to address this level of government overreach, I am pleased with the actions our team has taken to protect our members," Purcell added.

ACA will continue to provide members with additional updates on the lawsuit and status of the emergency motion.

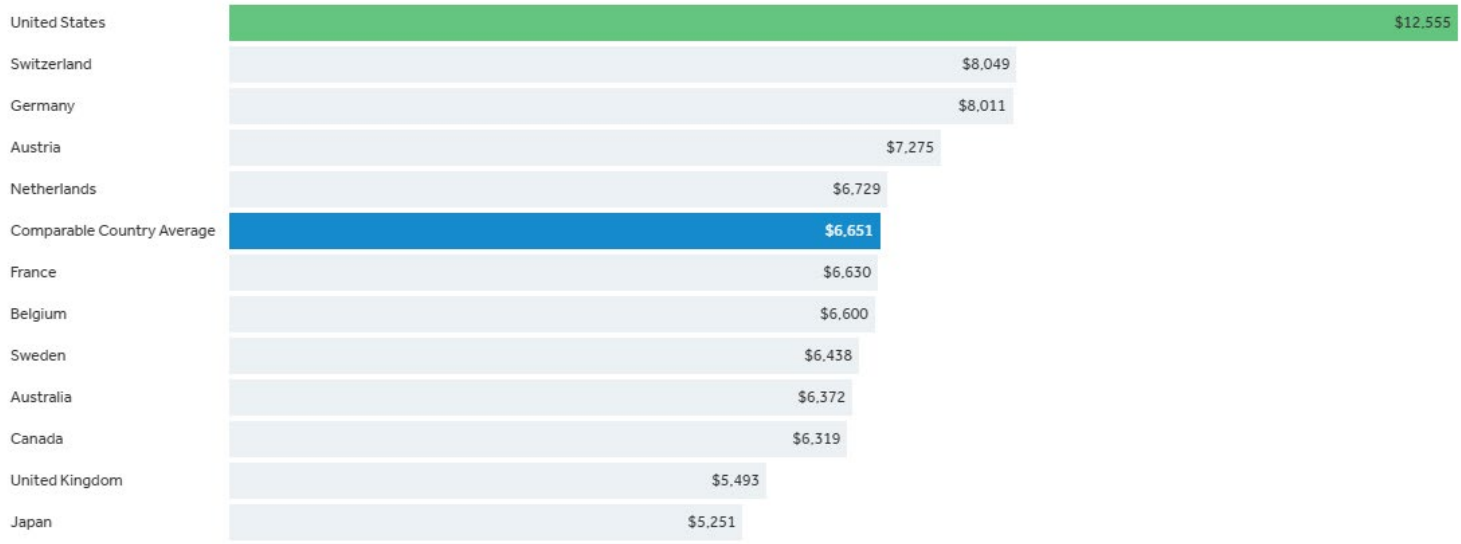
DATAWATCH

Rising Health Care Costs Leave Nearly Half of Americans Struggling

A recent Gallup and West Health study reveals that 45% of Americans have recently skipped medical treatment or prescriptions due to high costs or limited access. Among them, 8% are in a "cost desperate" category, unable to afford care even if needed immediately. While 55% of Americans remain "cost secure," this is a drop from 61% in 2022, highlighting the growing financial strain on households.

The rising difficulty in affording care stems from inflation and the increasing prevalence of high-deductible, less comprehensive insurance plans. Nearly all respondents (94%) agree that Americans are overpaying for health care without receiving sufficient value, underscoring widespread dissatisfaction with the system.

Health Expenditures per Capita, U.S. Dollars, 2022 (current prices and PPP adjusted)



Source: *2024 Healthcare Provider Fintech Insights Report, Salucro Healthcare Solutions.* https://tinyurl.com/2vavzpwz

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