

Healthcare Simplification Act

Patient Care

Not Paperwork



Healthcare Simplification Act

Patient Care, Not Paperwork

The OSMA-sponsored Healthcare Simplification Act (HB 125) will bring significant, positive changes to contracts between health insurers and physicians -- putting physicians on a more equal footing with the insurers.

While the Healthcare Simplification Act will not address every problem you have with payers – it's a good first step toward building a better way of doing business with insurance companies. The OSMA will not stop working on these issues until our members can enter into agreements with insurance companies that are fair, transparent, and simplify doing business. Most importantly, the agreements must be in the best interests of the doctor-patient relationship.

The Healthcare Simplification Act (HB 125) Helps Physicians in Three Major Areas:

- Transparency in Contracting
- Fairness in Contracting
- Standardized Credentialing

Transparency

- The Healthcare Simplification Act will ensure that physicians get a copy of the full fee schedule from HMOs, Third Party Administrators (TPAs) and other insurers, so that the physicians will know what they will be paid for their services.
- The Healthcare Simplification Act requires HMOs, TPAs, and other insurers to provide physicians with a summary disclosure form of the contract that outlines, in plain language, important terms including: compensation terms, categories of coverage, duration of the contract, the entity responsible for processing claims, and the method of dispute resolution. The Act also requires specific notice be given to the physicians of any addenda to the contract.
- The Healthcare Simplification Act restricts the selling or renting of a physician's contract to another company unless the rental is disclosed and all of the terms of the original contract are honored.

continued...

Healthcare Simplification Act

Patient Care

Not Paperwork



Fairness

- The Healthcare Simplification Act prohibits “Most Favored Payer” clauses in contracts that force doctors to provide healthcare services at a lower price than originally called for in the contract.
- The Healthcare Simplification Act requires insurance companies to notify doctors 90 days in advance of changes to a contract that either: decrease payment, increase administrative expenses or add a new product.
- The Healthcare Simplification Act restricts the use of “all products” clauses that force physicians to participate in all of an insurer’s products.
- The Healthcare Simplification Act prohibits an insurer from forcing a physician to accept their future product offerings.

Standardization

- The Healthcare Simplification Act designates the Council for Affordable Quality Healthcare (CAQH) credentialing form as the sole credentialing form to be used by insurers in Ohio. No additional information can be solicited by individual insurers from physicians seeking to be credentialed.
- The Healthcare Simplification Act requires that all physicians be credentialed within 90 days.
- The Healthcare Simplification Act establishes a \$500 per day penalty or requires retroactive reimbursement if an insurer fails to meet the 90-day credentialing deadline.