

AB 72 Implementation Update

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AB 72 Consumer Protections

Effective July 1, 2017:

- Prohibits Surprise Balance Billing
- Establishes Reimbursement Rate for Non-contracting Providers – Rate shall be the greater of the average contracted rate or 125 percent of the applicable Medicare rate.
- Preserves Out-of-Network Benefits with Written Consent

Non-Contracted Services

The categories of non-emergency covered services provided at a contracting health facility most frequently subject to billing by a non-contracting individual health professional include the following:

- Anesthesiology
- Pathology
- Radiology
- Hospital Inpatient
- Surgical
- Consultative Specialty Services

Default Reimbursement Rate

Health care service plans and delegated entities shall establish the Average Contracted Rate (ACR) for services most frequently provided by non-contracted providers by filing the following with the DMHC no later than July 1, 2017:

- Data listing its ACR in each geographic region in which the services are rendered for the calendar year 2015
- Methodology for determining the ACR
- Policies and procedures used to determine the ACR

Default Reimbursement Rate

Issuer-Defined Region	Procedure Code	Modifier (If Applicable)	Physicians			Non-Physicians		
			ACR	# Services, Contracting Providers	# Services, Non-Contracting Providers	ACR	# Services, Contracting Providers	# Services, Non-Contracting Providers
01: Orange County	99204		\$75.25	100	15	\$48.75	25	0
01: Orange County	71020		\$115.00	50	2	\$58.00	30	2
01: Orange County	71020	26	\$80.00	75	5	\$40.00	15	3
02: Los Angeles County	99204		\$85.00	150	35	\$70.00	30	2
02: Los Angeles County	71020		\$135.00	75	6	\$115.00	14	3
02: Los Angeles County	71020	26	\$80.00	90	7	\$40.00	8	2

Default Reimbursement Rate

Date of Service	Average Contracted Rate (ACR)
July 1, 2017 – December 31, 2017	ACR based on Calendar Year 2015 rates and Filed with the DMHC by July 1, 2017
January 1, 2018 – December 31, 2018	ACR adjusted by Consumer Price Index for Medical Services
January 1, 2019 - Ongoing	ACR based on the standard methodology defined in regulations

Implementation Timeline

Activity	Date
Stakeholder Meeting to Solicit Input on Default Reimbursement Rate Methodology	June 2017
Default Reimbursement Rate Filing Deadline and Effective Date	July 1, 2017
Independent Dispute Resolution Process (IDRP) Implemented	September 1, 2017
Formal Rulemaking Process	October 2017 – December 2018
Timely Access and Network Adequacy Report Filings	March 31, 2018
Regulations Effective	January 1, 2019
DMHC Report to the Legislature	January 1, 2019

Discussion

1. For the July 1, 2017 filing of ACR, should we establish a threshold, such as 10% of services/claims or more than five claims, for reporting of services most frequently provided by a non-contracted provider? Alternatively, we could ask for any services that were billed by a non-contracted provider.
2. What is the right metric (e.g. services, claims, people)
3. Are there other factors that we should consider collecting on the template?