

# MEDICAL ISSUES & BILLING

*Balance Billing-DME-Discount Drug & Medical Plans-HIPAA-Medical ID Theft*

The Division of Consumer Protection works to fight medical related scams and answer questions regarding health care for South Dakota consumers. We hope you find this information helpful.

## **BALANCE BILLING**

Balance billing occurs when a medical provider has contracted to provide services to a consumer and then charges the patient over and above the amount they agreed to in the contract. It includes any billing for covered services above and beyond the coinsurance, co-payment and deductible in a patient's policy or plan. Network providers are contractually prohibited from balance billing Health Plan participants, but balance billing by non-network providers is common. For example, if the provider's charge is \$100 and the allowed amount is \$70, the provider may bill you for the remaining \$30. A preferred provider may not balance bill you for covered services.

**What should I know if I'm visiting a network health care provider?** Benefits paid to a network provider for covered charges are based on a negotiated discounted rate. A network provider should never balance bill you for charges that exceed that negotiated rate. However, network providers should bill you for the following amounts that are to be paid by you, not the Health Plan:

- The copayment
- The coinsurance
- Any amount that may remain on your annual network deductible
- The full cost of any charges that are not covered by the Health Plan

When you receive a bill from your network provider, you should compare it to the Explanation of Benefits (EOB) that you receive from your insurance. You will see the amount of the full charge billed and the network discount deducted from the full charge. This discount is a result of a contract with the Preferred Provider Organization (PPO) network, and it should not be passed on as a charge to you. However, the copayment, deductible and coinsurance amounts, as well as charges for any non-covered services, are due to the provider.

In rare cases, a network provider may mistakenly balance bill a participant for the amount included in the network discount. If this happens, do not pay the portion of the bill that represents the network discount.

SOUTH DAKOTA OFFICE OF ATTORNEY GENERAL

**CONSUMER  
PROTECTION**

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**1-800-300-1986**

This handout is for informational purposes and should not be construed as legal advice or as a policy of the South Dakota Attorney General. If you need advice on a particular issue, you should consult a private attorney or other experts.

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### **What should I know if I'm visiting a non-network health care provider?**

While our PPO network protects you from balance billing, you are obligated to pay whatever a non-network provider bills you. The amounts charged by non-network providers can vary significantly, as there are no contractual limits to what they can charge. If you plan to use a non-network provider, it is prudent to inquire about the fees you can expect to be charged before services are rendered.

However, if you receive services without prior knowledge of a non-network provider's fees and you feel that the charges are excessive, it is within your rights to contact the provider to discuss the bill. Even though non-network providers are not contractually or otherwise obligated to do so, some are willing to adjust the charges and/or work out payment plans with their patients.

### **How can I avoid balance billing?**

Choose health care providers within PPO network whenever possible. Network health care providers are contractually prohibited from balance billing Health Plan participants.

## **DURABLE MEDICAL EQUIPMENT (DME)**

Medical equipment can be an expensive part of health care. That's why it's important to purchase equipment that is right for you. Before purchasing any equipment, determine if it will be covered by your insurance or Medicare. If your insurance will not cover the purchase, other options might be available. Your local hospital or health care provider may have a list of agencies that, lease, loan, or provide equipment to those who need assistance.

Medicare Part B (Medical Insurance) covers durable medical equipment (DME) that your doctor prescribes for use in your home. Only your doctor can prescribe medical equipment for you. DME must meet the following criteria:

- Durable (long-lasting)
- Used for a medical reason
- Not usually useful to someone who isn't sick or injured
- Used in your home

Medicare will only cover your DME if your doctor or supplier is enrolled in Medicare. If a DME supplier doesn't accept assignment, Medicare doesn't limit how much the supplier can charge you. You may also have to pay the entire bill (your share and Medicare's share) at the time you get the DME.

If a purported company calls indicating they've been contacted by your doctor because he/she would like you to receive a piece of medical equipment, ask for their business name and phone number, and then contact your doctor's office to verify that they did in fact contact them. Do not give out your Medicare or Insurance number unless you have verified with your doctor first. You should also report this occurrence to the Attorney General's Office, Division of Consumer Protection at 1-800-300-1986 or 605-773-4400.

## **DISCOUNT DRUG & MEDICAL PLANS**

Looking for health insurance? Make sure that's what you're buying, or you could find yourself on the hook for big medical bills with no way to pay them. That's because what sounds

like affordable health insurance may be a medical discount plan instead. **Medical Discount Plans are a way for some to save money but it is NOT insurance.**

The plans generally consist of, but are not limited to programs offering discounts on physician, prescription drugs, vision, dental, chiropractic, or massage therapy services. If you are offered a discount on your health care expenses by a company, you should make sure that the company has South Dakota medical providers in your area who are willing to honor those discounts.

By law these discount plans must give you a list of the medical providers in this state who are accepting discounts. If you are not satisfied with the plan that you have purchased you do have thirty (30) days in which to cancel it and get a refund of the premiums, less a processing fee. Businesses selling these programs must be registered with the Division of Insurance.

**Here are some tips to remember when considering discount drug & medical plans:**

- **Question Discounts of "Up To".** Some plans offer discounts of up to 70% - but how often will you save that much? Savings with discount plans typically are a lot less. When you consider a discount plan's monthly premiums and enrollment fees, there may be no "discount" at all. What's more, if you have major health problems or an emergency, you will have to cover most, or all, of the bills if you don't have health insurance.
- **Lose your health coverage.** You could give up your current health coverage, mistakenly by believing you found a better insurance deal.
- **You're saddled with large medical bills.** You'll have to pay medical bills yourself if you're scammed into believing you have real insurance.
- **Some Pitches Are After Your Information.** Unfortunately, identity thieves also use pitches for medical discount plans and insurance to get your personal information. Don't give out your financial information to someone who calls you out of the blue, or whose reputation you haven't checked out.

If you have any questions or problems with a discount plan, contact the SD Division of Insurance at 605-773-3563 or Attorney General's Office, Division of Consumer Protection Division at 605-773-4400 or 1-800-300-1986. The Division of Insurance maintains a list of registered discount plans on their website:

[http://dlr.sd.gov/insurance/companies/discount\\_medical\\_plan\\_organization\\_listing.aspx](http://dlr.sd.gov/insurance/companies/discount_medical_plan_organization_listing.aspx)

## **HEALTHCARE PRIVACY - HIPAA**

*This is a brief summary of your rights and protections under the federal health information privacy law. This is known as Health Insurance Portability & Accountability Act (HIPAA)*

### **Your Privacy Matters**

Most of us feel that our health and medical information is private and should be protected, and you

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have the right to know who has this information. Federal law:

- Gives you rights over your health information.
- Sets rules and limits on who can look at and receive your health information.

## **Your Health Information is Protected by Federal Law**

Who must follow this law?

- Most doctors, nurses, pharmacies, hospitals, clinics, nursing homes, and many other health care providers.
- Health insurance companies, HMOs, most employer group health plans.
- Certain government programs that pay for health care, such as Medicare and Medicaid.

What information is protected?

- Information your doctors, nurses, and other health care providers place in your medical record.
- Conversations your doctor has about your care or treatment with nurses and others.
- Information about you in your health insurer's computer system.
- Billing information about you at your clinic.
- Most other health information about you held by those who must follow this law.

## **The Law Gives You Rights Over Your Health Information**

Providers and health insurers who are required to follow this law must comply with your right to:

- Ask to see and get a copy of your health records.
- Have corrections added to your health information.
- Receive a notice that tells you how your health information may be used and shared.
- Decide if you want to give your permission before your health information can be used or shared for certain purposes, such as for marketing.
- Get a report on when and why your health information was shared for certain purposes.
- If you believe your rights are being denied or your health information isn't being protected, you can:
  - File a complaint with your provider or health insurer & with the U.S. Government [www.hhs.gov/ocr/hipaa](http://www.hhs.gov/ocr/hipaa)

You should get to know these important rights, which help you protect your health information. You can ask your provider or health insurer questions about your rights. You also can learn more about your rights, including how to file a complaint, by going to [www.hhs.gov/ocr/hipaa](http://www.hhs.gov/ocr/hipaa).

## **YOUR HEALTH INFORMATION PRIVACY RIGHTS**

### **The Law Sets Rules and Limits on Who Can Look At/Receive Your Information**

To make sure that your information is protected in a way that does not interfere with your health care, your information can be used and shared:

- For your treatment and care coordination.
- To pay doctors and hospitals for your health care and help run their businesses.
- With your family, relatives, friends or others you identify who are involved with your health care or your health care bills, unless you object.

- To make sure doctors give good care and nursing homes are clean and safe.
- To protect the public's health, such as by reporting when the flu is in your area.
- To make required reports to the police, such as reporting gunshot wound.

Your health information cannot be used or shared without your written permission unless this law allows it. For example, without your authorization, your provider generally cannot:

- Give your information to your employer.
- Use or share your information for marketing or advertising purposes.
- Share private notes about your mental health counseling sessions.

## **MEDICAL IDENTITY THEFT**

Medical identity theft occurs when someone steals your personal information (like your name, Social Security number, or Medicare number) to obtain medical care, buy drugs, obtain insurance benefits, or submit fake billings to Medicare in your name. Medical identity theft can disrupt your life, damage your credit rating, and waste taxpayer dollars. The damage can be life-threatening to you if wrong information ends up in your personal medical records.

### **Some Signs of Medical Identity Theft**

- A medical bill arrives for medical services you didn't receive.
- A call from a debt collector about a medical debt you don't know about or that you do not have.
- Medical collection notices on your credit report that you don't recognize.
- A notice from your health plan saying you reached your benefit limit.
- A denial of insurance because your medical records show a condition you don't have.

### **Protect Your Personal Information**

- Guard your Medicare and Social Security numbers carefully. Treat them like you would treat your credit cards or bank account numbers. Never give your Medicare number over the phone or to anyone other than your medical provider or insurance company. Legitimate government agencies typically will never ask for this for information over the phone.
- Be suspicious of anyone who offers you free medical equipment or services and then requests your Medicare number. If it's free, they don't need your number!
- Do not let anyone borrow or pay to use your Medicare ID card or your identity. It's illegal and it's not worth it!
- If your Medicare card is lost or stolen, report it right away. Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) for a replacement.

### **Check All Your Medical Bills, Medicare Summary Notices, Explanation of Benefits, and Credit Reports**

- Were you charged for any medical services or equipment that you didn't get?
- Are the services and charges correct?
- Does your credit report show any unpaid bills for medical services or equipment you didn't receive?
- Have you received any collection notices for medical services or equipment you didn't receive?

## **CORRECTING MISTAKES IN YOUR MEDICAL RECORDS**

**Get Copies of Your Medical Records.** If you know a thief used your medical information, get copies of your records. Federal law gives you the right to know what's in your medical files. Check them for errors. Contact each doctor, clinic, hospital, pharmacy, laboratory, health plan, and location where a thief may have used your information. A provider might refuse to give you copies of your medical or billing records because it thinks that would violate the identity thief's privacy rights. The fact is, you have the right to know what's in your file. If a provider denies your request for your records, you have a right to appeal.

**Get an Accounting of Disclosures.** Ask each of your health plans and medical providers for a copy of the "accounting of disclosures" for your medical records. The accounting is a record of who got copies of your records from the provider. The law allows you to order one free copy of the accounting from each of your medical providers every 12 months.

**Ask for Corrections.** Write to your health plan and medical providers and explain which information is not accurate. Send copies of the documents that support your position. Send your letter by certified mail, and ask for a "return receipt," so you have a record of what the plan or provider received.

Keep copies of the letters and documents you send.