Managed care problem? Find out if the law’s on your side

MAY 17, 2021

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There’s always something else. That is the way it can feel for physician practices that battle daily to navigate the maze of health insurer requirements on behalf of their patients.

“Physicians and practice managers often struggle with the myriad health insurer contract terms, policies and rules that they have to meet to get their patients the care they need,” according to Marilyn J. Heine, MD. She is chair of the AMA Council on Legislation and a hematology-oncology and emergency physician in suburban Philadelphia.

Health insurers also often set the standards for schedules of treatment, continuity of care, payments and prior authorizations, she said, and as physicians attempt to advocate for their patients, they need to understand the rights they have under state and federal law when it comes to dealing with health insurers.

“Frequently, physicians are frustrated when market-dominant insurers adversely impact their ability to care for their patients and run their practices,” she said. “Often, powerful insurers impose take-it-or-leave it contracts on physicians. Insurer contracts can place obligations on physicians that impede their ability to give patients timely, medically necessary care. An example is when treatment recommendations are subject to onerous prior-authorization requirements.”

One new tool that physicians and practice managers can use to stay up to speed on health insurer legal issues is the AMA Managed Care Legal Database, a comprehensive resource identifying how state and federal law apply to health insurer-related issues that affect patients and physicians. Launched this year, the database is free for anyone to use.

“Knowledge is power,” Dr. Heine said. “State and federal laws and regulations may give a physician rights of which the physician is not aware. The Managed Care Legal Database has the answers.”

She called the new tool “a treasure trove of information to help independent practice physicians and their practice managers” find out with just a few clicks “whether insurers are complying with state and
federal laws and regulations that impact their practices.”

Finding state requirements

The database features a wealth of state-by-state information covering:

- Payment issues.
- Network issues.
- Contract changes or disputes.
- Coverage or utilization review.
- Claims processing.

The resource is especially useful to practice managers, legislators, regulators, policymakers and state medical society staffers, Dr. Heine said.

The database contains model state legislation, developed by the AMA Advocacy Resource Center, that state medical associations have used to enact laws in their states. These model bills cover issues such as physician profiling, prior authorization, surprise billing, payment transparency, physicians assuming risk, network adequacy, and provider directories.

Payments and compensation rules

The database can also be used more broadly by practice managers in handling accounts payable and receivable. Take as one example a practice getting a letter from an insurer demanding to refund a payment received over a year ago. The insurer demands the refund because, at the time of service, it mistakenly determined that services provided were medically necessary.

By consulting the Managed Care Contract Legal Database under the category “Retroactive Denial,” the practice manager can find out if his or her state places any time limits on retroactive denials of previously paid claims.

Dr. Heine noted another use case, one in which an insurer “stipulates new clinical protocols that affect” how a physician practice will care for patients with chronic conditions.

“You find this change to be unacceptable, and you want to end your contract” with the insurer, “but you cannot just drop these patients.” In the AMA Managed Care Legal Database, in the “Continuity of Care-Post Contract” category, you can “see if—and how long—state law will let you care for your patients after you terminate the agreement,” Dr. Heine explained.