

EXAMPLE SCENARIO FOR BATCHING – HIGH FREQUENCY, LOW VALUE CLAIMS

Scenario # 1 – Current State (No batching)

Emergency physician sees 10 OON patients in a month with sepsis

- Sepsis is a life threatening infection

All patients have the same OON carrier

The physician provides complex, life-saving care to all 10 patients.

Physician submit a bill for their usual charge of \$450. The state OON methodology limits payment to \$400. The carrier disregards the required amount and pays \$350.

Physician practice submits 10 individual claims to the state arbitration process to recoup the \$50 of underpayment per patient. The average cost of arbitration in Colorado is \$425.

The practice wins 8 of the 10 cases.

The practice receives \$400 (8 x \$50) in additional payment from the carrier.

The practice pays \$850 for the two arbitration cases they lost.

The carrier pays \$400 to physicians and \$3400 to the arbiter.

- The physician practice is NEGATIVE \$450
- The carrier is NEGATIVE \$3800
- There is NO ADDITIONAL PATIENT RESPONSIBILITY

The total additional spend for the health care system is \$4250 (\$425 x 10)

Scenario #2 – SB24-163 With Batching

Emergency physician sees 10 OON patients in a month with sepsis

All patients have the same OON carrier

The physician provides complex, life-saving care to all 10 patients.

Physician submit a bill for their usual charge of \$450. The state OON methodology limits payment to \$400. The carrier disregards the required amount and pays \$350.

Physician practice submits 10 batched claims to the state arbitration process to recoup the \$50 of underpayment per patient. The batched arbitration cost is \$600 for this number of claims (example only).

The practice wins the arbitration process for the 10 batched claims.

The practice receives \$500 (10 x \$50) in additional payment from the carrier.

The carrier pays \$500 to physicians and \$600 to the arbiter.

- The physician practice is POSITIVE \$500
- The carrier is NEGATIVE \$1100
- There is NO ADDITIONAL PATIENT RESPONSIBILITY.

The total additional spend for the health care system is \$600 (batched arbitration fee)

CONCLUSION

The net health care spend will be LOWER with batched arbitration. Premiums should NOT go up.