

THOMSON, RHODES & COWIE, P.C.

MANAGED CARE LAW UPDATE

Volume II, Issue 4

May 1999

Page 1 of 1

FEDERAL AGENCY ACTIONS

HHS announces New Record System in Conjunction with the Healthcare Integrity and Protection Data Bank. HHS has announced a proposed new system of records to implement the requirements of the Healthcare Integrity and Protection Data Bank (HIPDB). The HIPDB was a mandate of the Health Insurance Portability and Accountability Act of 1996 (HIPPA), aimed at combating health care fraud and abuse. HIPDB will contain information pertaining to civil judgments against health care providers, suppliers or practitioners, federal or state criminal convictions, exclusions from federal or state health care programs, final adverse actions by federal or state licensing bodies, and any other adjudicated actions, such as removal from a managed care network. Access to the databank would be limited to federal and state agencies, health plus and self-queries from health care providers, suppliers and practitioners. More information is available at 64 Federal Register 7633 (February 16, 1999).

HHS Enlists Seniors as "Fraud Busters". On February 24, 1995, Donna Shalala announced a campaign to encourage senior citizens to identify and report Medicare fraud and inaccurate billing practices. The campaign requests Medicare recipients to report questionable charges that appear on Medicare bills by calling a new government hotline: 1-800-HHS-TIPS. The AMA has criticized the program as driving a wedge between doctors and their patients and unduly causing suspicion of health care providers.

AAHP SURVEY

Low Rate of Complaints Filed Against HMOs In response to media attention that has focused on HMO-related complaints submitted to State regulatory agencies, the American Association of Health Plans (AAHP) obtained and analyzed data on complaints filed with State regulators from ten of the States with the largest HMO enrollment, including Pennsylvania. The survey revealed that less than one tenth of one percent of HMO Members made complaints against their HMOs. In Pennsylvania, only .06% (6 per 10,000) of HMO members submitted complaints in 1997. The percentage of actual complaints is even lower since Pennsylvania included both informal inquires and complaints as well as formal grievances in the data supplied to AAHP. In 60 to 65% of the cases, the Pennsylvania Department of Health upheld the HMO decisions. For additional information, see the AAHP web site. <http://www.aahp.org>.

OTHER JURISDICTIONS

Texas and California Legislatures Consider Collective Bargaining Legislation. A Bill introduced in the California State House on March 25, 1999 will, if enacted, permit California physicians to negotiate collectively with health plans. The stated purpose of the legislation is to create a more equal balance of negotiating power, promote competition and enhance the quality of patient care. On April 28, 1999 in another state with heavy managed care penetration, the State Senate of Texas passed and sent to the House legislation that would give physicians the power to bargain collectively with State health plans. Unlike the California legislation, the Texas bill allows independently practicing physicians to seek permission from the Texas attorney general to negotiate with health maintenance organizations through a third party. Under the process outlined in the Texas legislation, the attorney general must approve any agreement resulting from the process.

A review of recent trends in Managed Care Law, the Update is a bi-weekly publication. All original materials Copyright 1998 by Thomson, Rhodes & Cowie, P.C. The contents of this Publication may be reproduced, redistributed or quoted without further permission so long as proper credit is given to the Thomson, Rhodes & Cowie, P.C. [Managed Care Law Update](#).

The Thomson, Rhodes & Cowie, P.C. [Managed Care Law Update](#) is intended for the information of those involved in the managed care system. The information contained herein is set forth with confidence, but is not intended to provide individualized legal advice in any context. Specific legal advice should be sought out where such assistance is required.

Prior issues are available on request. Please direct inquiries to Jerry R. Hogenmiller or L. Jane Charlton, Thomson, Rhodes & Cowie, P.C., Tenth Floor, Two Chatham Center, Pittsburgh, Pennsylvania 15219, (412) 232-3400, TRC_Law@nauticom.net.