Patient Balances in Times of COVID

(Patient Co-Insurance and Deductible During COVID-19)

As the pandemic endures, questions are churning about payer policies for Co-Insurance and Deductible (Coins/Ded) amounts related to COVID. Today, we seek to illuminate the answers some of these questions.

Federal law prevents charging co-insurance and deductible for TESTING, and Vaccination. The laws passed at the beginning of the COVID-19 Public Health Emergency prohibited providers from collecting balances for COVID ***testing and vaccination***. There were not similar prohibitions on billing for medical treatment of COVID.

HHS recently issued a letter to payers and providers reminding them of their obligations not to charge patients for these services, especially recipients of Provider Relief Funds.

The letter reminds:

"Health care providers about your signed agreements to administer COVID-19 vaccines to patients free-of-charge, and

Group health plans and health insurers that you're legally required to cover COVID-19 vaccines and diagnostic testing without patient cost sharing." [See https://www.cms.gov/covidvax-provider]

By anecdotal reports, a review of media, and our own experience, Commercial payers HAD been eliminating patient cost-sharing. Commercial payers seem now to have started applying co-insurance and deductible amounts for medical treatment of COVID. Many have announced deadlines for starting to do so or other policy changes relative to recognizing out-of-network balances. As usual, there is wide variation among payers. (Here is a good index).

In trying to estimate the potential costs of COVID to patients, many refer to this study by Peterson Center on Healthcare and KFF (Kaiser Family Foundation), which examines "we examine the potential cost to employer health plans and their enrollees of COVID-19 treatment by looking at typical spending for hospital admissions for pneumonia [claims from 18 million people enrolled in large employer plans in 2018]."

The Peterson-KFF study goes on to state: "Some large health insurance companies have assured the public they will not charge higher cost-sharing for people who inadvertently go out-of-network, but only health care providers (such as hospital and physician groups) would be in a position to halt balance bills."

Many of the reasons for surprise COVID-related patient bills were: out-of-network providers, high deductible amounts, prescription costs, medical device costs, and other unexpected medical expenses. The study also cited reason to expect HIGHER out-of-pocket costs for COVID due to increasing patient deductible amounts (driven by choices made by employers in selecting health plans), disproportionately higher numbers of patients being required to seek out-of-network care due to COVID. One unfortunate side affect of this is that patients will avoid vaccination due to fears of surprise medical bills.

A distortion of the Golden Rule applies in many cases, as it does here: "They with the gold make the rules." As it goes with COVID patient bills. It will be up to the largess of large health insurance companies, employer group health plans, hospitals, and physician groups to determine how much burden our patients will share for their COVID treatments.

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