



Discover
VISION CENTERS

Lifetime Family Eye Care

To: House Insurance Committee

From: Michael Wyrick
Chief Executive Officer
Discover Vision Centers

Date: February 15, 2012

Subject: HB 2565 Concerning health care expense transparency

Discover Vision Centers appreciates the opportunity to submit the following comments in support of HB 2565, which ensures transparency within the insurance industry regarding health insurance benefits coverage.

HB 2565 provides an efficient solution to one of the most inefficient hurdles facing patients and health care providers today, accurately determining the patient's out of pocket cost. Providers have the ability through an automated software process to electronically submit and receive real time information regarding patient eligibility, copay and deductible amounts. The fact that this information is now shared so efficiently through an automated transaction has been a huge help. The critical piece still missing is the ability to access the contracted allowable amounts that would allow us to accurately determine the patient's out of pocket cost. The current options to obtain this information are either a phone call or website; both are inefficient, require manual process and are human resource intensive. With the automated transactions already in place, it would only seem reasonable that this last piece be added, allowing information to be readily available in a simple and efficient manner. The providers are already paying approximately \$70,000 annually, on average, for the technology that is incomplete without this final piece.

Another important note is that Health Care plans have moved toward high deductible plan designs increasing the out of pocket amounts patients are responsible for paying. As a result, patients and providers need real time access to allowable amounts in order to determine patient deductibles and coinsurance amounts in a simple and efficient manner. This bill also addresses the trend of increasing patient responsible accounts receivable balances and increasing amounts of bad debt turned over to collections and write off. As these deductible amounts have risen so has our patient accounts receivable balances and as a result the amount of bad debt turned over to collections and written off each year. We estimate writing off approximately 25% of patient accounts annually, with the average balance being \$220.00. Once turned to collection, we only recover about 17 cents out of every dollar. Aggregately these amounts written off add up to hundreds of thousands of dollars in lost revenue to the provider. In the current system, it

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Attachment # 3

is not until after the procedure that a patient understands their portion of the cost. This makes it difficult for patients to plan appropriately for the cost of their care. It is simply wrong for patients or providers not to have full and efficient access to all costs associated with a treatment procedure prior to its completion.

Health Reform was to help reduce the overall cost of health care by creating efficiency and eliminating waste within the industry. Administrative expenses were to be reduced by creating efficiency through sharing information, collaboration of care to reduce repetitive and unnecessary tests and automation. However, the exact opposite has occurred because providers are now not only paying to implement the real time automated functionality into their practices; but also are still forced to carry the expenses associated with the manual processes of gathering the allowable information that is not accessible without a phone call or looking up the information on the payers website. Essentially, it is now costing some providers more because some of the information is gathered electronically, while the allowable amounts are gathered manually. Results in duplicate effort and duplicate cost.

This is exactly why we support HB 2565. It seems unreasonable that industry would encourage continued reliance on technology, automation and information sharing with Electronic Health Records, Meaningful use, Quality Reporting, electronic pharmacy prescriptions, electronic claims submission and payments to this point and fail to address this issue of how to efficiently determine a patients out of pocket cost for their health care. We have all the integration and technology on the back end to provide a robust and efficient delivery system but do not know the cost to the patient on the front end. Again, the automated functionality is already present and currently providing the eligibility, copay and deductible. We simply need to turn on this last piece regarding the allowable.

Through this bill, there is an opportunity to address one of the most critical obstacles confronting both patients and health care providers today. The ability to efficiently access insurance benefits coverage and determine out of pocket cost. Once again, we appreciate the opportunity to share our comments and the committee's willingness to listen to our concerns.