



HEALTH CARE NEWS

A Monthly Publication From the New York State Attorney General's Health Care Bureau

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LABORATORY WILL HALT IMPROPER PATIENT BILLING

Spitzer Obtains Refunds For Consumers

Attorney General Eliot Spitzer recently announced an agreement with one of North America's leading providers of medical laboratory services that will protect consumers from paying health insurance bills for which they are not responsible. The settlement is the latest in the Attorney General's statewide "Project Clean Bills of Health" initiative.

Under the terms of the agreement, MDS Inc., a Canadian-based company, will refund New Yorkers who were improperly billed for services covered by or already paid for by their health plans. Additionally, the company agreed to reform its billing practices, promising not to bill consumers unless notified by their health plans that the consumers may be liable.

"My office is committed to protecting consumers from unwittingly paying out-of-pocket for services and care that actually is covered by their health plans," Spitzer said. It is estimated that as many as two million claims could be subject to the agreement with MDS.

The agreements stem from an investigation by the Attorney General's Health Care Bureau triggered by complaints from consumers who got bills from MDS even though the company was a "participating prov-



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When Mr. H, a Sullivan County resident, was diagnosed with cancer, his doctor prescribed a series of monthly blood tests. Mr. H had the blood work done at MDS Inc., a laboratory that was a *participating provider* in his health insurance plan's network. Mr. H was surprised when he started receiving monthly bills from MDS for these covered services. Every month, Mr. H's health plan would assure him that his blood work was covered and his lab bills had already been paid. Mr. H, already under stress about his illness, would then have to make dozens of phone calls to solve the problem. Finally, when a collection agency contacted Mr. H about an unpaid MDS lab bill, Mr. H called the Healthcare Bureau's *Helpline*. A *Helpline* mediator intervened on Mr. H's behalf and discovered that MDS had failed to submit Mr. H's claim in a timely manner and had "balance billed" Mr. H when the health plan denied the claim. The *Helpline* mediator informed MDS that under New York law a "participating provider" cannot bill a member in this situation. MDS agreed to revoke the illegal bill, remove the account from collection and followed up with a letter of apology to Mr. H.

ider" in the consumer's health plan network. Spitzer's office found that MDS improperly *balance billed* some consumers - an illegal practice where a "participating provider" collects or attempts to collect from members sums owed by their health plan. In some instances, MDS *balance billed* consumers if their health plans had not responded to the company's claims for reimbursement. In other instances, both the health plan and the consumer paid the billed amount in full, resulting in MDS improperly receiving double payment on a single bill.

Under New York law as well as the contracts that health plans have with most health care providers, a "participating

provider" cannot bill a health plan member for services provided pursuant to the plan. Exceptions to this prohibition are bills for deductibles, coinsurance and amounts designated by the health plan as the consumer's responsibility.

MDS will post information on how to submit claims on its website www.mdsdx.com.



DID YOU KNOW?

If you do not have prescription drug coverage, you may qualify for prescription assistance program to get the medicines you need? To learn more, call 1-888-477-2669 or visit www.pparx.org

Attorney General Eliot Spitzer's Health Care Bureau protects - and advocates for - the rights of all health care consumers statewide. The Bureau operates a Health Care Helpline that assists thousands of New Yorkers with individual problems; investigates and takes law enforcement actions to address systemic problems in the operation of the health care system; and proposes legislation to enhance health care quality and availability in New York State. **To share your views contact the Editor: Rashmi.Vasisht@oag.state.ny.us**