

# Preparing Your Practice for the Idaho Patient Act (AKA Melaleuca Legislation)

This law goes into effect on January 1, 2021. The Idaho Medical Association (IMA) wants to help physician offices understand the requirements and impacts of compliance. Here are the main provisions of the bill that impact physician offices:



**Within 45 days of the patient's visit, a claim must be submitted to insurance. Under certain circumstances, an additional 45-day grace period is granted.**

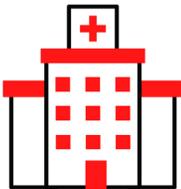
- If the patient provides incorrect information, the practice can still meet timelines and use Extraordinary Collection Actions; as long as the practice can prove it sent the initial claim to the insurance submitted by the patient – even though it turned out to be wrong.

## CSS Checklist



**Within 60 days of the office visit or facility discharge, a “Consolidated Summary of Services” (CSS) must be provided to the patient and contain all of the following:**

- Name and contact information of patient,
- Name and contact information of the medical office or facility the patient visited,
- Date and duration of visit,
- General description of all services provided to the patient during the visit, with names and contact information for all the entities that may bill the patient separately, and
- A notice stating that “This is Not a Bill”
- Exemption: This is not required for physician visits that do not entail services outside the medical practice.



**For physicians that provide services in a hospital or other facility, that entity has the responsibility to send the patient a CSS listing the physician's name. If the facility does not include the physician's name for whatever reason, the physician is subject to the stipulated restrictions in the bill on debt collection. IMA believes this is one of the most troubling provisions of the bill.**

- To address this unfair situation, Melaleuca provided an additional 90-day grace period for the physician to reconcile the problem and then rightfully seek payment from the patient for the services provided. However, the patient is exempt from additional fees or costs as a result of the delayed debt collection.



## Final Statement

**After the claim has been adjudicated by insurance, the physician must then send what is called a “Final Statement” to the patient. This terminology is inaccurate and confusing because it doesn't align correctly with billing terminology commonly used in medical practices. What the law refers to as a Final Statement is actually the first bill that a physician will send to the patient.**

The law requires the Final Statement to contain many new pieces of information. Physicians will have to work with their software and billing vendors to make these changes. IMA encourages practices to review their vendor contracts to determine if vendors will cover changes required by these statutory provisions:

- Name and contact information of patient,
- Name and contact information of the medical office or facility the patient visited,
- A list of services, charges and dates of the services received by the patient during the visit,
- Notification that a full itemized list is available upon request by the patient,
- Name of the insurance company to whom the claim was sent; must also include the patient's insurance group and membership number. Another troubling provision that has the potential to significantly drive up costs of compliance.
- A description of adjustments, insurance payments, patient payments or other offsets to the original charges incurred by the patient, and
- Final amount due from the patient.



**After the Final Statement is received, physicians must wait 60 days before transferring outstanding debt to a collection agency. This provision takes away a critical tool in pursuing debt when a patient writes a check at the time of service that is returned for insufficient funds.**

- It is a standard, generally accepted practice by medical office managers to send bounced checks to collections sooner than 60 days. The law prohibits this and causes unnecessary delay in recouping rightfully owed payment for services.



**ECA wait period**

**After the Final Statement is received, physicians must wait 90 days before taking an “Extraordinary Collection Action” (ECA) on outstanding debt. ECA is defined as:**

- Transferring the patient’s debt to a collection agency before 60 days has passed from the time the Final Statement was received,
- Reporting the patient to a credit reporting agency, or
- Taking legal action such as liens, property seizures, civil actions, wage garnishments, etc.

### **Other Details:**

- If the patient gives written consent, consolidated summaries and final statements may be sent via email or using other electronic means such as a patient portal. If the Final Statement is given at the time of service, this should be documented. If challenged, the provider must demonstrate the statement was provided or sent to patient.
- A note about “sent” versus “received”: The law requires the 60 and 90-day timelines to start from the time the patient receives the Final Statement, not when the practice sends it. So how are physicians to know when a patient receives a mailed document? The law allows medical practices to assume that the patient has received the Final Statement three days after it was sent by first-class mail to the last confirmed address the patient provided.
  - Therefore, medical practices should actually use 63 or 93-day timelines to proceed for collecting outstanding debt if the documents are mailed.
- The law also sets limits on interest, fees and costs on various aspects of the collection process. IMA has not provided an analysis of these provisions, as they are not directly applicable to physician offices. However, an indirect impact may be felt as collection agencies may become reluctant to take on medical debt recoupment if they cannot cover the costs and make a profit on the collection.
- It’s important to note that even with the passage of the Idaho Patient Act, all medical practices can still collect principal amounts owed by patients at any time, but those efforts must be done by internal office staff, and may not involve legal action or the assistance of an outside debt collector.

**IMA will continue to push for changes to the law that will help alleviate the most egregious provisions that negatively impact medical practices, which include:**

- Handicaps physicians’ ability to fully pursue all collection avenues if a hospital or facility excludes the physician from the Consolidated Summary of Services.
- Potential for increased software vendor costs of adding new elements of information to the Final Statement.
- Eliminates the ability to immediately pursue amounts owed when the patient passes a bad check.



**Idaho Medical Association** is the leading organization representing physicians in all specialties, practice settings and geographic locations in our state, and is recognized as the voice of medicine in Idaho. IMA’s mission is to unify and advocate for all Idaho physicians, promote the art and science of medicine, and remain dedicated to improving the health and well-being of all Idahoans.