

Many Kentuckians Are Being Charged For Preventive Care That Should Be No Cost Share

Policymakers Could Provide Relief

Since 2014, federal law requires most health insurance plans to cover in-network preventive care at no cost to the patient. A lack of clear rules for providers and insurers has resulted in patients getting stuck paying out-of-pocket costs for care that should be free.

The Problem: Patients Charged for Preventive Services

An audit conducted by the Department of Insurance (DOI) in 2016 reviewed two years of claims data for five insurers. They found that:

1. Coding for preventive care claims varies dramatically between insurers.

- 671 CPT codes were used to bill for preventive benefits.
- Of these, only 25% of the codes were considered preventive by all five insurers. The remaining 75% of claims were not coded consistently among insurers.

2. Differences in codes cause billing errors. The result is that patients get billed for out-of-pocket costs they should not have to pay.

- Kentuckians were charged out-of-pocket costs for 52% of “free” preventive services.
- Billing for “free” services ranged from 21% - 84% depending on the insurer.
- This translated into more than \$800,000 in inappropriate cost sharing for preventive care claims

3. Charging for “free” services may keep patients from seeking preventive care.

Which insurers are required to cover preventive services at no cost?

Almost all plans offered through employers or sold on kynect are required to cover preventive care at no cost to the patient. Individual plans not sold through kynect (such as short-term plans, sharing plans, and “grandfathered” plans) may not cover free preventive care.

What preventive services should be free?

Covered services are different for adults, women, and children. The full list of services can be found here: <https://www.healthcare.gov/coverage/preventive-care-benefits/>

Some common services include:

- Vaccinations
- Annual wellness exams
- Blood pressure screening
- Cholesterol screening
- Depression screening
- Mammograms for breast cancer
- Pap smears for cervical cancer
- Colonoscopies or stool-testing for colorectal cancer
- Low-dose CT scans for lung cancer
- Help to quit smoking (some insurers)

Potential Solutions: What can policymakers do?

Congress has the ultimate responsibility to fix this problem, but Kentuckians need relief now. To address the gaps in federal regulation and protect Kentuckians from being inappropriately billed for free preventive care, state legislation should:

- Require insurers to provide a complete list of free preventive care services to members annually and post the list of covered services online.
- Support and enhance existing state statutes that address no cost-sharing for preventive services (e.g. colorectal cancer screening)
- Establish a workgroup led by DOI to work with stakeholders in identifying solutions. This can include developing clear coding guidance and common preventive services coding for providers and insurers. This guidance should specify the exact services that are to be covered at no cost to members, along with codes that are to be billed to insurers for full payment. These codes should be consistent between insurance providers to reduce confusion and increase consistency.
- Require provider education on accurate coding for preventive services.
- Require consumer education on their right to free preventive care.
- Allow employers with self-funded plans to opt-in.