



RETIRED PUBLIC EMPLOYEES ASSOCIATION Chico Chapter 077

JULY 2019 NEWSLETTER

Mission Statement:

We are active and retired California public employees working together to maintain and improve the quality of the lives of our members by protecting and improving our earned retirement, medical, and other benefits. RPEA represents the rank and file retired public employees.

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It's Summer Time! We hope that you have a fun and relaxing summer and enjoy a wonderful vacation or two before Fall arrives. **Reminder: There will be no RPEA Chapter 077 meetings in July and August. Our next meeting will be on Thursday, September 5.** Please mark this date on your calendar, and plan to join us again after our two-month summer break. We are challenging all of our members to recruit a new member or two before our meetings resume in September.

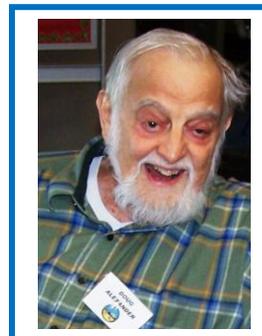
MEMBERSHIP CHAIR VACANCY

Judy Winter found it necessary to resign from her position as Membership Chair since she is in Red Bluff taking care of her son who recently suffered a stroke. Judy did an excellent job as Membership Chair after taking over for Margaret Ballinger for several months. A BIG Thank You to Judy for taking on the Membership Chair role so efficiently!

2019 RPEA CHAPTER 077 BOARD OF DIRECTORS

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WITH DEEPEST SYMPATHY



We were saddened to hear that Doug Alexander passed away on June 10, and our heartfelt sympathy is with Kathy and the rest of Doug's family. Doug and Kathy met at the University of Colorado and married in 1958. They moved to Chico in 1965 where Doug started teaching biology at Chico State. Doug was an active member of our Chapter 077 and will be dearly missed.

HEALTH BENEFITS REPORT – By Al Raitt

Balance Billing

At the June 6 Stakeholders meeting held at CalPERS headquarters in Sacramento, staff reviewed Assembly Bill 1611 which attempts to remedy the “balance billing” issue. For those unfamiliar with the term, this refers to charges for services provided by a physician who is not on the list of physicians authorized to provide services by a patient’s health insurance plan and is thereby considered “out of network.” The insurance plan pays the “out of network” provider less than the “in network” provider, and the patient is currently responsible for the “balance.” Since the “out of network” provider has not agreed to accept the health insurance plan payment as “payment in full” (because he or she has not signed a contract with that particular insurance plan), the patient is responsible for payment of the difference (“balance”) between the full amount charged by the provider and the amount paid by the insurance plan.

Balance billing is an issue only in hospital emergency rooms. It does not occur in other settings such as charges for outpatient medical clinic or surgery clinic services. However, if the emergency room services are rendered for a major accident or injury, the patient may receive a relatively large “balance bill,” sometimes in the tens of thousands of dollars, for services provided by an “out of network” physician. If the patient arrives in the emergency room unable to think clearly because of the illness or accident, or perhaps is unconscious, then there may not be an awareness on the part of that person that the services could subsequently result in a substantial bill.

Since HMO’s in California are regulated by the State Department of Insurance, they are not subject to the balance billing experience. PPO’s however, such as the CalPERS-sponsored Anthem plans, are. Overall, this has applied only to about 1.5% of retirees having such a plan (estimated to be about 200 – 300 people.) The first level of appeal is through Anthem itself. If that is unsuccessful, a second level is through CalPERS, and its staff has been able in a majority of cases to negotiate with the provider to accept the insurance company’s “in network” amount as payment in full. A third level of appeal is via an administrative hearing; however, very few of the cases ever reach this level. It appears that once a provider becomes aware that appeals are being made with the carrier (Anthem) and through CalPERS, most of them agree to accept the “in network” amount as payment in full. AB 1611 attempts to address the problem by legally requiring all “out of network” providers of hospital emergency room services to accept the “in network” amount as payment in full. CalPERS has not taken an official position regarding this bill.

Parenthetically, some patients, for reasons of their own, actually request services by out-of-network providers and have been willing to pay the difference. This bill, along with others such as SB 343, an attempt to deal with the “pay to delay” problem (whereby the pharmaceutical companies attempt to delay the introduction of less expensive generic medications onto the market) will be followed by the statewide RPEA Health Benefits Committee (of which yours truly is a member) and make recommendations to the State RPEA Board to support or oppose. These matters could well be subjects for future newsletter articles, so stay tuned!