

Honorable Senators Hoffman and Abeler, Committee Members:

I am writing in support of SF1966, particularly the section on clawbacks which would reset the start of the timely filing period for a payer responsible for treatment payment, when the need to bill that payer is triggered by a clawback from another payer who has paid the claim incorrectly.

My name is Lance Egley and I have worked for four years with Senators Abeler and Hoffman, perhaps other members on this Committee, on Paperwork Reduction and Systems Improvement. One area where we repeat a lot of unnecessary and duplicate work is in Substance Use Disorder billing.

There are many occasions of clawbacks of payment for Substance Use Disorder (SUD) treatment for various reasons, but especially for errors in coordination of benefits. The impetus for the amendment arose in 2023 when Blue Cross/ Blue Shield clawback some millions dollars from multiple SUD providers a year after the original payment was made. Beside the actual work for providers of rebelling these claims to the rightful payer, many, indeed most, of the refiled claims were denied by the rightful payers as being “past timely filing”. In many instances providers could not even afford to fight these denials and the money was just lost to providers. This kind of large cash flow problem, under today’s very tight rates, could literally bankrupt a small provider. There are today continuing, right at this moment, similar billing problems occurring, just in smaller amounts of money.

While I support the principles of the new clawback amendment, I do encourage change of one word in the new bill. As i understand it the new bill says that the timely filing period “may” be extended six months from the date of a clawback. As you all probably know, in law the distinctions such as “may” vs “must” or “may” vs “will” are crucial in the interpretation of a statute. Understandably in this law which seems mainly to restrict providers, an author or researcher could have thought of this provision as permissive. However the bill does not specify who “may” decide whether or not to extend this additional time. Without greater clarity, payers who actually owe the money clawed back by another payer, may feel that they can simply decline to extend the timely filing period and still deny payment of money they actually do owe. The amendment must restrict payers from seeing this as optional by using the word “will” or the word “must” rather than “may” in this amendment. Otherwise, the amendment will not achieve its intended purpose.

Please amend SF 1966 at Minnesota Statutes 2024. Section 62Q.75 Subd. 3 (d) line 2.1 by replacing the word “may” with the word “will” - or with the word “must” if that seems better to the Committee. Then please pass SF 1966.

Yours,

Lance Egley, Ph.D., L.A.D.C., L.I.C.S.W., C.A.D.C. III