

# AAN Advocate Connects in Connecticut

What does the investigation of a corrupt governor have to do with reimbursements to neurologists and restricted access to care for patients? Nothing and everything, AAN Advocacy Leader Anthony G. Alessi, MD found out as the Connecticut neurologist took on the deceptive practices of managed care networks using repricing and “silent PPOs.”

Fighting against the way managed care networks use this repricing scheme to reduce payments to neurologists and restrict patient access has been a particularly challenging experience for the 2004 graduate of the AAN’s Palatucci Advocacy Leadership Forum. As Alessi wrote in an op-ed piece for the *Norwich Bulletin*, unauthorized repricing by insurance companies “has become so pervasive in Connecticut that it is considered an acceptable business practice in the field of managed care, despite its striking similarities to racketeering and fraud.” Repricers, also known as “silent PPOs,” apply discounts to medical bills that have not been agreed to by healthcare providers, and in return receive a percentage of the savings from the payer. This “scam,” as Alessi forthrightly calls it, costs physicians as much as \$3 billion a year, according to an estimate from the American Medical Association. Because Connecticut is one of 30 states that have no law to restrict or prohibit this scheme, Alessi set out to make things right for his fellow physicians and patients.

## Recruiting Allies

The op-ed article was one tactic that Alessi employed to call public attention to the issue. He knew he needed additional partners, however, to make changes. “I thought it would be best to build alliances with advocates from other medical associations. I was introduced to the owner of the Carlson Physical Therapy network, who had been discussing the repricing issues with legislators in his part of the state. As a representative of the Connecticut Neurological Society, I also made contact with Connecticut Chiropractic, IPA; the Connecticut Orthopedic Society; and the Connecticut State Medical Society.”

Having built a broad coalition to lend its weight to his advocacy efforts, Alessi needed to find some champions in the state capitol. “I spoke about this issue at a legislative dinner with about 15 state legislators present. One of them was particularly sympathetic and offered to be a sponsor. I found that all you need is one influential legislator to champion your cause.” After additional meetings with the state insurance commissioner and the assistant attorney general, “Our efforts resulted in an amendment to a malpractice reform bill. The amendment was modeled after similar legislation in North Carolina, which outlawed the practice” of repricing.




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Not surprisingly, the malpractice reform bill was a contentious issue in House and Senate chambers. To further complicate matters, Governor John Rowland was fighting off corruption charges as the bill was being shaped and argued. This hampered Alessi’s efforts. “Our biggest obstacle was that the state government had been solely focused on the investigation of the governor.” As the legislature was nearing a resolution for impeachment, it managed to pass the complex 37-page bill. The governor promptly vetoed it, publicly complaining the bill lacked non-economic award caps. A few weeks later, Rowland resigned from office.

“I pretty much expected Rowland to veto the bill, but I believe my work was an investment that will pay off. Since this is an election year for our state legislators, we can get their ear by attending many fundraisers. We’re very optimistic that some reform will be passed in the next legislative session.”

## Lose One, Win One

Success is not a stranger to Alessi, however. As he was fighting against repricing, he became aware that Connecticut’s largest HMO, HealthNet, was instituting a system of automatically down-coding needle electromyography of an extremity (CPT code 95860) to a lower code (CPT code 95870) when the ICD-9 code for carpal tunnel syndrome is used. Alessi contacted HealthNet and the Connecticut State Medical Society and pointed out that this policy put physicians who practice electrodiagnostic medicine in a difficult position. “Often patients are

referred to us with the purpose of differentiating a cervical radiculopathy from carpal tunnel syndrome. This requires more extensive electrodiagnostic testing and warrants use of the 95860 code. The final diagnosis may be carpal tunnel syndrome, but the only way to reach that conclusion is through the more complex testing.”

Again, Alessi enlisted the support of the state’s medical society and the Connecticut Neurologic Society. “We were successful in convincing HealthNet that this automatic down-coding was unfair. This change in their policy impacts all neurologists who perform electrodiagnostic studies as well as other practitioners who perform electrodiagnostic evaluations.”

### Lessons Learned

Quickly acknowledging that his training at the Palatucci Advocacy Leadership Forum gave him a firm foundation for his activities, Alessi sees that understanding the dynamics of the political system enables advocates to be much more effective. “I believe that the Forum was extremely useful in giving some insights into how legislators think. I have found it to be very productive to speak with legislators who are in the midst of running for office and help to support those legislators in their efforts in any way possible.”

Alessi continues to strategically cultivate relationships in issues outside of physician compensation. “This year I’ve served on a state committee to make a recommendation regarding the disposition of 470 acres which were part of the Norwich State Hospital campus. Consequently, I have made many contacts in the office of policy and management as well as the department of public works and other legislators. I have continued to have a good working relationship with HealthNet, and this has spread to Oxford and Aetna. These relationships can be easily accessed for advocacy issues in the future.”

And it’s not likely that Alessi will have any lack of future opportunities. “When you become known as an advocate for neurologists, the issues will find you.”

## What is a “silent PPO?”

A “silent PPO” refers to a situation where, unbeknownst to its contracting physicians, a managed care organization (MCO) “sells” or “rents” its Preferred Provider Organization (PPO) network of providers to a third party (typically a third party administrator, insurance broker, or smaller PPO) and that third party gets the advantage of whatever discount the MCO has negotiated with the physician. The physician becomes aware of this only after he or she provides services to a patient who is not covered by the PPO. After filing a claim for his or her services with the patient’s health plan or insurer, the physician receives less than full payment and an explanation of benefits (EOB) referencing the discount with the original MCO PPO. Both the “seller” and the “purchaser” of the discount rely heavily on the fact that a busy physician practice will have difficulty spotting this anomaly on an EOB.

Silent PPOs are financially harmful to physicians (and hospitals), and they violate fundamental concepts of fair business dealing.

From *“The American Medical Association Model Managed Care Contract: Supplement 2.”*

For more information, please visit [www.ama-assn.org/ama1/pub/upload/mm/368/supplement2.pdf](http://www.ama-assn.org/ama1/pub/upload/mm/368/supplement2.pdf)

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