

Medicare and Anthem Defrauding Doctors

I have run a medical claims clearinghouse in Merrimack, NH for more than ten years, and during that period have routinely submitted up to 10,000 Medicare claims per month for health care providers. In 2012, Anthem's wholly owned subsidiary, National Government Services (NGS), became the Medicare contractor for New Hampshire. At that time, NGS announced that it would no longer allow providers to send electronic Medicare-B claims directly to them. NGS said they had outsourced the receiving of these claims to six private companies, whom they called vendors. However, NGS did not actually outsource anything, but instead forced the providers to hire those vendors. This was an obvious scheme to shift routine costs to providers, and a clear violation of anti-trust and HIPAA Simplification laws.

I have now paid several thousand dollars directly to NGS's vendors. Not having direct access to submit claims to a Medicare contractor left my business with unmanageable risks. I had no choice but to close the independent clearinghouse part of my business, losing a third of my income, and destroying the resale value of my business.

NGS enforces this same policy on the 100,000 Medicare-B providers it serves in all the New England states, and is raising the administrative costs to these doctors by millions of dollars. The doctors may not notice, but their options, and the options for their contractors have been degraded. Really, just another nail in the coffin of the independent health care provider.

NGS's policy of re-routing hundreds of millions of Medicare claims through these private companies leaves duplicate copies of Medicare patient data on computers all over America. NGS has creatively arranged things so the providers will be liable if that data is hacked.

The HIPAA Rules are based on the Social Security Act. SSA, Sec. 1175(a)(1) clearly states that a plan may not refuse to conduct a standard electronic claim transaction with a provider. Sec. (a) (2) states that the plan can meet this requirement by doing it directly. The 45 CFR, 162.923 Rule elaborates that a plan may contract a third party to conduct the transaction, but must enter into a HIPAA Business Associate agreement with that party. NGS violates all these provisions of the law by refusing to conduct the transaction, and not contracting with its so called vendors. Additionally, NGS is violating anti-trust laws by forcing providers to buy services from their designated private companies. CMS wrote a letter to me saying that NGS was simply outsourcing their connectivity. That letter blatantly misrepresents the truth.

I have filed formal complaints with Anthem, NGS, CMS, IG, and the DOJ, but to no avail. I did get some help from U.S. Senator Jeanne Shaheen. After here inquiry on my behalf, NGS sent a letter to the senator about my case. It gave a befuddling explanation related to old fashion telephone modems – a clear obfuscation of the truth. Soon after, Anthem sent her a \$2,000 political contribution, which was the first donation they ever made to her, and in a non-election year for her. Coincidentally, the Senator's office stopped responding to my requests.

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