Date:	27 February 2019
To:	Vermont Senate Committee on Finance
Subject:	Testimony: Support for S.41, an Act Relating to regulating entities that administer health reimbursement arrangements
From:	Tracie Wolford Wright, Resident of Jericho, Vermont

Greetings Chairperson Cummings, Vice Chair MacDonald, members of the Senate Committee on Finance. I write to express my support for your work on bill S.41, an act relating to regulating entities that administer health reimbursement arrangements. I have seen that much of the testimony you have received is from administrator or business owners. I wanted to share my experience so you may hear from a user of the system.

My family of six receives our health insurance through my husband's teaching position at Chittenden East Supervisory Union school district. During 2018 we elected to participate in the district's health spending account. In 2018, a daughter was admitted to the emergency room for flu complications and to an urgent care with gastro-intestinal distress, another daughter cracked her wrist during a high school hockey game and required x-rays, I had complications from a past surgery and all of us saw our regular doctor for annual check-ups. Fortunately, none of these were life-threatening. Unfortunately, seeking that care has required hundreds of hours in verifying the payment of these bills.

The process has been complex, inaccurate, inefficient and lacking in accountability. One of the most profound frustrations of this year, has been the lack of accountability to how the process can be corrected. District Human Resources, while very apologetic, offered advice on how to contact the third parties. Blue Cross Blue Shield, also apologetic, confirmed their health care coverage and that claims were being sent in a timely fashion. The third-party administrators (Future Planning Associates and DataPath), less apologetic, reported that their systems had 'screen glitches' and 'processing errors' often specifically blaming Blue Cross Blue Shield's claim feed. In my experience, no customer service representative understood how or when to make needed corrections. The third-party administrators (TPA) requested that I manually submit any explanation of benefits (EOB) that was not in their system after I painstakingly determined which claims had not processed. The problems we encountered are always no one's fault – just a part of the eco-system of health care in our country - and therefore no one could resolve the issues.

Other specific issues we have experienced include:

1. Reimbursements were credited to incorrect health spending account – by both Future Planning Associates(FPA) and DataPath as they tried to resolve FPA's errors.
2. Late or incomplete reimbursements. When a check was paid out, accompanying information was unclear and incomplete as to what claims were being processed or paid.
3. Debit cards worked inconsistently at pharmacies. Debit cards with one third party worked on some over-the-counter medications (covered by FSA) but doesn't work with another TPA. When

asked why the difference, the answer of the second TPA was '*Each TPA is responsible for abiding laws. We follow the law*.' implying the other TPA does not.

4. Third-party web portal was inaccurate and incomplete and no clarity on correction procedures.
5. Third-party web portal listed provider information not associated with my family's claims causing concerns about privacy.
6. We were notified that our names would be forwarded to collection agencies.
7. Immense difficulty sorting medical bills including difficulty in understanding the process for claim categorization by third-parties.
8. Intolerably long wait time to speak with customer service representative. Including one conversation with DataPath on September 11, 2018 which started with a 45-minute wait. We discussed each of our claims starting in January, identifying several flagged for reprocessing. After more than 65 minutes, I asked about remaining claims that were not on their system or when the flagged claims would be reprocessed. The line went dead.
9. We were asked to provide routing numbers and account information for re-imbursement was via direct deposit; however, the fine print indicated that by selecting this payment method, permission was also granted for deductions from the account. Our district Human Resources warned us that the third parties were not required to give notification of any payment or deduction. This unlimited unfettered access to my financial accounts is unacceptable.

I do understand that my experiences are unique to my family's health care needs and our districts choice of third-party administrators. However, in January of this year, I received a credit card issued in our name from Horace Mann – the third-party administrator our district used for flexible spending accounts in 2014. When I called concerning this issuance, I was told 'computer glitch'. The comedy was not lost on me that a third third-party administrator seems to have computer glitches as a normal operating procedure. This does not instill confidence in this industry.

Thank you for investing meaning changes to this industry to protect customers. Please work to regulate an industry that is full of inefficiencies in processing, errors in data integrity, and prone to insecurity. The huge waste of time my family has spent on healthcare payment is unacceptable.