MAXIMIZING REIMBURSEMENT THROUGH COORDINATION OF BENEFITS

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GOALS

• Provide an Understanding of how to Maximize Reimbursement through the Coordination the most Common Hospital Coverages:
  o Health Insurance
  o Medicare
  o Medicaid
  o First Party Accident Insurance
  o Third Party Liability Accident Insurance
  o Worker’s Compensation
  o Veteran’s Administration
EXPERIENCE

- Douglas Turek
  - COO and Owner of Alegis Revenue Group, LLC
  - Shareholder in Turek DeVore, PC
    - Licensed in 10 states including Texas
  - 20 Years Experience in Healthcare and Healthcare Reimbursement Litigation
  - Alegis and Turek DeVore Assist Numerous Health Systems and Hospitals with:
    - Coordination of Benefits
    - Maximizing Reimbursement
    - Reimbursement Litigation

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“I don’t feel quite as fulfilled when I’ve saved a lawyer.”
UNINSURED ACCOUNTS

• Accident Related Coordination typically involves the interaction of the following coverage types:
  o First Party Insurance Coverage
    ▪ First Come, First Served Payment Priority
  o Liability Insurance Coverage
    ▪ Requires a Hospital Lien, when appropriate
  o Medicaid
  o Medicare
  o Commercial Health Insurance
  o Other Payers
UNINSURED ACCOUNTS

- In Texas, the Coordination of Accident Related Accounts that are Uninsured is Straightforward
  - First Party Insurance is Primary
    - Claims are processed in Order of Receipt
    - Typically Pay in 30 to 60 Days
    - Exists in About 20-30% of Accident Situations
  - Liability Insurance is Secondary
    - Requires the filing of a Hospital Lien
    - Typical Private Policy Limits are $30,000 (required Texas minimum)
    - Commercial Policy Limits are at least $1,000,000
- Higher recoveries through the Accident Related Coverages than through Uninsured Collections

HEALTH INSURANCE ACCOUNTS
HEALTH INSURANCE

- For Health Insurance accounts, the key determination to make is whether your Facility is contracted with the Health Insurance carrier
  - Most ERISA Plans will fall under a Contractual Network
- All Health Insurance Secondary to First Party (No Fault Coverage)
  - Will Potentially Recoup Partial Payment if First Party Coverage Pays after initial Insurance Payment
HEALTH INSURANCE

• If Contracted, must typically bill Health Insurance Primary
  ○ Usually a Contract Term that the Hospital has to bill Insurance and apply the Contractual discount
  ○ Can still pursue patient responsibility portion from the EOB through:
    ▪ Accident Liability Insurance
    ▪ Patient Collections

• If Not Contracted, there are lots of Options
  ○ Can Pursue Liability Insurance primary and settle for Full Charges or Higher than Insurance Payment would have Been
  ○ Can bill Health Insurance and pursue total remaining balance through:
    ▪ Liability Insurance or
    ▪ Patient Collections

• Beware Single Case Agreements
HEALTH INSURANCE

- Multiple Insurance Plans
  - 2 Group Plans
    - Plan Not Dependent or Spouse Status is Primary
    - If Dependent, Birthday rule applies
      - Whichever Parent’s Birthday comes first Plan is Primary
  - Individual and Group Plan
    - Controlled by the COB Terms of the Plan
    - Policy with no COB Terms is Always Primary

MEDICARE ACCOUNTS
The Medicare Secondary Payer Program makes Medicare Secondary to:
- Health Insurance (using Coordination rules)
- First Party Insurance
- Liability Insurance
- Worker’s Compensation
- Other Coverage

Requires a Hospital to Investigate the existence of these Opportunities and report them to CMS

Medicare is Secondary to Health Insurance under the following scenarios:
- Employer Related Health Insurance with Greater than 20 Employees
- Disabled with Employer Related Health Insurance with Greater than 100 Employees
- End Stage Renal Disease (during 30 month coordination period)
  - Including COBRA during the period
- Worker’s Compensation
  - Secondary for Work Related Treatment
MEDICARE

- Medicare is Primary to Health Insurance under the following scenarios:
  - Employer Related Health Insurance with Less than 20 Employees
  - Disabled with Employer Related Health Insurance with Less than 100 Employees
  - Retiree Health Coverage
  - Worker’s Compensation
    - Primary for non-Work Related Treatment

MEDICARE

- Existing First Party Insurance must be Billed Primary
  - Even if these amounts are not collected Medicare may reduce its payment by the amount that should have been collected from the First Party Insurance
  - If the First Party coverage exhausts from other claims, then an Exhaust letter should be obtained and provide to Medicare with the Bill

- Once the First Party Insurance has paid, Medicare can be billed Secondary with the First Party payment information
  - The Medicare Payment should be the appropriate Medicare payment minus the First Party Payment
MEDICARE

- For Existing Liability Insurance, a Hospital has the choice to:
  - Bill Medicare; or
  - Attempt to Collect from the Liability Insurance recovery
- Have to Bill Medicare by the Medicare Billing Deadline or Lose that Opportunity
  - Can potentially collect full charges from the Liability Insurance recovery

MEDICARE

- The MSP provides a Hospital with the opportunity to pursue Patient Responsibility after Medicare
- Patients with both Medicare and Medicaid cannot typically be pursued because the Secondary Medicaid payment is Payment in Full
- Patient Responsibility Balances can be pursued:
  - Based off Medicare Remit Information
  - Utilizing a Hospital Lien to Secure Payment
- Could Potentially have 3 Different Payments on Medicare Accident-Related Accounts
Two Most Common Types of Medicaid Coverage:

- Traditional Medicaid
  - Coordination Follows the State Regulations for Coordination with Other Coverages

- Medicaid HMO
  - Coordination Follows the State Regulations and the Specific HMO Agreement
  - Varies Greatly by HMO
MEDICAID

• Texas Law makes Traditional Medicaid the Payer of Last Resort -- Secondary to:
  o Health Coverage
  o Employer Related Coverage
  o First Party Insurance
  o Liability Insurance
  o Worker’s Compensation

• Requires a Hospital to Investigate the existence of these Opportunities and Pursue, if Viable

MEDICAID

• If Health Insurance is available, the Health Insurance Coverage is Primary to Traditional Medicaid
  o Health Insurance must be billed First
  o Can Bill Medicaid Secondary but often no additional Payment
**MEDICAID**

- Existing First Party Insurance must be Billed Primary to Traditional Medicaid
- Once the First Party Insurance has paid, Medicaid can be billed Secondary with the First Party payment information
  - The Medicaid Payment should be the appropriate Medicaid payment minus the First Party Payment
- The Hospital is Allowed to Keep any First Party Funds even if the First Party Coverage pays more than the Medicaid Reimbursement

**MEDICAID**

- For Existing Liability Insurance, a Hospital has the choice to:
  - Bill Medicaid; or
  - Attempt to Collect from the Liability Insurance recovery
- Have to File and Informational Bill to Medicaid by the normal Medicaid Billing Deadline
  - Can potentially collect full charges from the Liability Insurance recovery if the Claim is Informational Billed correctly
    - If do not file a proper Informational Bill, then the Hospital can only recover the equivalent of what Medicaid would have Paid
  - Have 18 Months to resolve the Liability recovery
MEDICAID

- Opportunities to Maximize Reimbursement under Medicaid
  - Adult Exhaustion of Benefits
    - 30 Day (per Year) Inpatient Benefits
    - Once Exhausted the Patient is Essentially Uninsured for the remainder of the stay
  - Non-Covered Services

WORKER’S COMPENSATION ACCOUNTS
WORKER’S COMPENSATION

- Worker’s Compensation typically becomes an issue when an employee is injured during the Course and Scope of Employment
- In Texas, the key distinction is whether an Employer is a Subscriber or a Non-Subscriber
- The Texas Department of Insurance, Worker’s Compensation Division, Publishes Coverage Information
  - Verification from TDI-DWC 800-372-7713 (option 6)
  - Certified Self Insured Employers are Treated as Subscribers

WORKER’S COMPENSATION

- If a Subscriber, then the sole remedy is a claim under the Worker’s Compensation System
  - The Patient can not be Billed without “Clearing the Claim”
  - Determination that the Injury was Not Work Related
- If a Non-Subscriber, then the Employer is not protected and the employee has a personal injury claim
  - Non-Subscriber claims should be investigated as a Third Party Liability Opportunity
  - A Hospital Lien should be filed, if appropriate
  - Can Collect Up to Total Charges (Not Limited by WC Fee Schedule)
Veteran’s Administration

- Three Types of VA Coverages:
  - Authorized Care
  - Unauthorized, Service Connected Emergencies
  - Unauthorized, Non-Service Connected Emergencies ("Mill Bill")
Veteran’s Administration

- Claims for Authorized Care -- Inpatient
  - Patient Condition Qualifies
  - Services for a medical emergency
  - VA not feasibly available
  - VA Notified within 72 hours
- Claims for Authorized Care – Outpatient
  - Patient Condition Qualifies
  - VA Form 7079 Approved
- VA is Primary
- VA Payment is Payment in Full

Veteran’s Administration

- Claims for Unauthorized, Service Connected Emergencies
  - Patient Condition Qualifies
  - Services for a medical emergency
  - Service Connected or adjunct condition
  - Paid only to the Point of Stabilization
- VA is Primary
- VA Payment is Payment in Full
Veteran’s Administration

- Mill Bill Claims
  - Enrolled in VA
  - Seen at VA Facility in last 24 months
  - No other Coverage
  - No other VA Coverage
  - VA Facility not Available
- VA is Secondary to Other Coverages
- VA Payment is Payment in Full

CONCLUSION

- Thank you for your Time.
- Questions?
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