

Title: Underinsured – Inpatient, Residential, PHP & Intensive Outpatient

Department: Patient Accounting
Created By: Fiscal Case Specialist
Approval: Chief Financial Officer

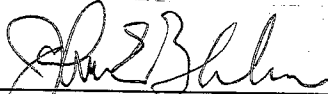
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POLICY:

When it is determined that a patient, based on their policy or the care they are receiving, is underinsured the following plans of action will be taken.

PROCEDURE:

- 1) Insurance/Managed Care Company issues a last covered day (LCD) due to lack of medical necessity and patient remains in the program.
 - a) Patient/family member is verbally informed of the LCD *during real-time* by social worker and patient/family member is informed of self-pay discount rate. Whether appeal with insurance continues or not, payment expectations are made very clear.
 - i) Determine if 'hold-harmless' clause applies in each case. If not:
 - ii) Financial Agreement letter with self pay discount rate is completed by Fiscal Case Specialist for patient/family member's signature.
 - iii) If an appeal takes place and the denial is overturned, patient/family member will be refunded any monies due back to them upon payment from insurance company.
- 2) Coinsurance is 30% or higher
 - a) A '*Benefit Clarification*' letter will be provided to the patient on the unit/treatment center or mailed to a family member by Fiscal Case Specialist. The letter will outline the coinsurance and what the expected out-of-pocket expense will be. Payment options will be explained in the letter.
- 3) Benefit limitations: yearly/lifetime benefit (days or dollar limit)
 - a) A '*Benefit Clarification*' letter will be provided to the patient on the unit/treatment center or mailed to a family member by Fiscal Case Specialist. The letter will outline the limited benefits and what the potential out-of-pocket expense could be. Payment options will be explained in the letter.
- 4) Pre-existing Clause
 - a) A&E confirms during pre-admit phone call that there is a pre-ex clause and or requirement of proof of continuous coverage.
 - b) If the insurance company has a traditional pre-ex clause- A&E MUST question whether or not the admit will be considered pre-ex.
 - c) If the insurance company is strictly looking for proof of continuous coverage and A&E is aware of this during pre-admit, they must ask patient/family member to bring a copy of previous insurance card. If Patient Accounting becomes aware of this requirement during collection efforts then Fiscal Case Specialist will contact patient/family member and advise them that we need this information ASAP.



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Vice President & Chief Financial Officer