

**Title: Underinsured – Outpatient**

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


**Date Created** 6/22/2007  
**Date Last Reviewed**  
**Date of Current**

**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 by clinician 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) Financial Agreement letter with self pay discount rate is completed by Fiscal Case Specialist for patient/family member's signature.
    - ii) 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 mailed to the patient/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 mailed to the patient/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) Outpatient 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- Outpatient MUST question whether or not admit will be considered pre-ex.
  - c) If the insurance company is strictly looking for proof of continuous coverage and outpatient 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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John E. Blaha, MBA  
Vice President & Chief Financial Officer