MAXIMIZING REIMBURSEMENT
THROUGH COORDINATION
OF BENEFITS

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PRESENTATION GOALS

- Understand how to Maximize Reimbursement through Coordinating the most Common Coverages:
  - Health Insurance
  - Medicare
  - Medicaid
  - First Party Accident Insurance
  - Third Party Liability Accident Insurance
  - Workers’ Compensation
  - Veteran’s Administration
EXPERIENCE

• Douglas Turek
  ○ Senior Vice President at 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
"I don’t feel quite as fulfilled when I’ve saved a lawyer."
UNINSURED & ACCIDENT ACCOUNTS
UNINSURED & ACCIDENT ACCOUNTS

- Accident Related Coordination typically involves the interaction of the following coverage types:
  - First Party Insurance Coverage
    - First Come, First Served Payment Priority
  - Liability Insurance Coverage
    - Requires a Hospital Lien, when appropriate
  - Medicaid
  - Medicare
  - Commercial Health Insurance
  - Other Payers
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 Texas 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
“Uh-oh, your coverage doesn’t seem to include illness.”
HEALTH INSURANCE & ACCIDENTS

- 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
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
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 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
• 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 (120 Day Rule); 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
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
• Texas Law makes Traditional Medicaid the Payer of Last Resort -- Secondary to:
  ○ Health Coverage
  ○ Employer Related Coverage
  ○ First Party Insurance
  ○ Liability Insurance
  ○ Worker’s Compensation

• Requires a Hospital to Investigate the existence of these Opportunities and Pursue, if Viable
If Health Insurance is available, the Health Insurance Coverage is Primary to Traditional Medicaid

- Health Insurance must be billed First
- 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
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 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:
- [http://www.tdi.texas.gov/wc/employer/coverage.html](http://www.tdi.texas.gov/wc/employer/coverage.html)
- 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 cannot 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”)
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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