

# 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

# UNINSURED & ACCIDENT 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 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

# HEALTH INSURANCE & ACCIDENTS



- 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

# HEALTH INSURANCE & ACCIDENTS



- 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



# MEDICARE



- 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



- 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 (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

# 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

# MEDICAID ACCOUNTS



# MEDICAID



- Two Most Common Types of Medicaid Coverage:
  - Traditional Medicaid
  - Medicaid HMO
- 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:
  - 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

# MEDICAID



- 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

# 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
  - <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 ACCOUNTS



# 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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