



Student Insurance vs. Real Insurance

While John attended college his parents decided to sign him up for the college insurance. It seemed like a good policy and significantly less expensive than his previous individual health insurance. Coupled with the college health center services, it seemed like adequate benefits for a college student. Three months into the coverage John attempted to commit suicide. Luckily, his attempt failed. His parents brought him home and he started to see a physiologist. He also entered a hospital-based program helping him better cope with life. He is on the road to recovery.

On the financial side, he is facing significant problems. His student insurance denied his medical bills, due to suicide as The student policy doesn't cover suicide-related expenses. His parents tried to get his previous individual

policy reinstated, but troubles turned up with that as well.

His college policy does not qualify as creditable ¹ coverage and therefore it is not considered to be continuous coverage. It is excluding all services related to his suicide attempt. This could have been a liability for a few medical bills related to one event, but timing created another set of problems and liabilities.

HIPAA allows a 63 day break in coverage. Past this limit, a new policy starts with all of the new policy rules of pre-existing conditions.

We are working to read through the small print of the student insurance and to see if there is a provision that would allow some coverage for the bills related to his attempted suicide.

Quote of the Quarter

"The payment structure in the U.S. healthcare system is complex, frustrating, and confusing for just about everyone involved. Currently, every insurance plan has different rules, different eligibilities, and different coding systems. The result is an administrative nightmare that costs patients tens of billions of dollars each year".

William R. Brody, the president of Johns Hopkins University.

Do I really have a co-pay?

Rose has been paying her physical therapist a \$10 co-pay for every visit for several weeks. She has a wonderful policy from a large group insurer. They paid her surgery in full, disallowing any cost to her. Rose mentioned this to me in a conversation. I found it odd that she had to pay a co-pay for physical therapy under

her policy, so asked Rose to call her insurance to see if she actually owes co-pays. The insurance representative told her that yes, she is liable. The next time I saw Rose the co-pay issue came up again. This time we decided to do some checking—we looked through the policy provisions along with the

processed physical therapy claims.

Not surprisingly, Rose didn't have a co-pay for her physical therapy. Her insurance paid the therapist the contracted rate, leaving no liability for Rose. Armed with the Explanation of Benefits for several visits (18) and the specific page from the

policy referring to physical therapy coverage, Rose stopped by the business office of the practitioner. To her pleasant surprise, her co-pays were refunded.

Medical offices and insurance company representatives do many things as routine. Knowing the details of one's policy is always advisable.

Medicare Rules and Changes

Some of my readers may have missed a biggest Medicare event of the summer.

Due to an outdated reimbursement formula mandated by Congress, Medicare was due to cut reimbursement for physicians by 10.6%. Heavy lobbying and physician outcry forced the House of Representatives to pass a bill preventing this law from going into effect. However, in the Senate, Republicans blocked this effort and the law went into an effect on July 1st.

In response, the Bush administration delayed processing new claims to give the Congress time to come up with a compromise. A number of physicians decided to stop seeing Medicare patients.

Finally, when the Senate returned from vacation they passed the Medicare Improvements for Patients and Providers Act of 2008 by 69 votes. Along with giving physicians a well deserved raise, this law eliminated many changes that was going to take place in the Medicare program.

The Best Insurance

People often ask me which is the best insurance company. My answer hasn't changed over the years. The best insurance company is the one that suits your specific needs. While considering a policy, the person needs to know what are the services they are using most. If a person tends to go and see any doctor that was recommended without checking out participation in the insurance network, then the best way to go is getting PPO type of coverage. If a person is careful and looks for in-network participating doctors, the out of

pocket cost for actual care will be significantly less. I recently had an inquiry from a person whom had only a \$10,000 annual coverage. One surgery wiped out his yearly limit and he is still liable for another \$60,000. The sad thing about it, that this person had no idea that his insurance will not pay for most of his hospital bill. Upon admission he was told by the clerk that his insurance authorized the surgery and he was covered. The bad surprise came with the first bill and the others that followed. Now, he is considering bankruptcy.

Legal Issues-Who is in Trouble this Time?

Most of us in the profession thought that Florida is a place where overbilling and illegal activities are taking place.

It turns out that it can happen anywhere, even in Connecticut. This year, Yale New Haven and Greenwich Hospital were fined for overcharging the Medicare program. According to the rules, a hospital

can only bill one unit of chemotherapy per day. Greenwich Hospital billed several units per day, effectively inflating the charges.

In the defense of both hospitals I must say that the billing process to Medicare is extremely complex and this problem could have taken place within several computer problems, including Medicare's.

Definitions:

¹ **Creditable coverage:** Defined as coverage from an individual health insurance policy, group health coverage, Medicare and Medicaid. Policies that offer limited health benefits are not considered creditable coverage.

² **HIPAA:** Health Insurance Portability and Accountability Act. It provides rights and protections for participants in group and individual medical policies.

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