



## Quote of the Quarter

"In prior years, in prior recessions, we would have said health care is generally recession-proof. But that's not the case this time [since] health insurance is so much more expensive."

Shellie Stoddard, a director in Standard & Poor's financial institutions rating division, told [The AIS Report on Blue Cross and Blue Shield Plans](#)

## Reasonable and Customary—Who will set the Rates?

A seemingly minor and often overlooked provision in the insurance contract refers to payment calculation based on usual and customary rates. Unfortunately, these rates are calculated by Ingenix, which is a wholly-owned subsidiary of United Health Group. Being the owner of the company that sets the payment rates for insurance companies is an obvious conflict of interest.

New York state attorney general, Andrew Cuomo, has been investigating allegations that health insurers using Ingenix databases were paying remarkably lower rates than the actual cost of typical medical expenses. This inappropriately provided health insurance companies with justification to underpay a portion of provider claims, thereby allocating additional costs to

members. Upon investigation, it was found that insurers using calculations from Ingenix databases were underpaying claims at a rate of 10% to 28% across the state.

The investigation concluded with an agreement to create a new database powered by a nonprofit organization. Per the agreement United Health Group will pay \$50 million to establish this new, independent database run by a qualified nonprofit organization. This entity will be a sole decision maker with respect to data collection protocols and methodologies. The nonprofit will also develop a website where consumers can find out, in advance, how much out of network medical procedures will be valued in their geographic area.

## Lifetime Caps on Medical Insurance

A recent examination of health insurance caps found that about half of all employer sponsored health plans have lifetime caps. Lifetime caps are limits on the amount your insurance company will pay out on your behalf over your lifetime. People with chronic illnesses, in need of organ transplants, with

rare diseases or cancers that require expensive therapies tend to be most likely to reach and exceed a lifetime cap.

If the purpose of insurance is to handle rare and extraordinary life events then these policies are not protecting the people who are most in need of insurance. These

individuals did everything they were supposed to do; they obtained insurance and were paying their premiums. Suddenly revoking the coverage of paying customers when they need it most is morally reprehensible.

While large employer sponsored insurances have many federal

protections, no protection exists to ensure care for these extraordinary life events that may bring an individual to exceed their lifetime cap.

While Medicare has no general lifetime caps, there are other lifetime associated restrictions in place. More on that next month!

# Medicare Covers Preventive Services

While far from ideal, Medicare is expanding coverage for preventative services. We all know that prevention is the best medicine, therefore I am asking all my Medicare readers to take advantage of these services. New enrollees are allowed one "Welcome to Medicare," physical exam. Don't miss this opportunity if you are just enrolling and have had no physicals in the past few years.

Covered services include:

Medical Nutrition Therapy  
Glaucoma Tests  
Diabetes Screening and Supplies  
Bone Mass Measurements  
Cardiovascular Screening  
Smoking Cessation  
Abdominal Aortic Aneurysm  
Cancer Test: breast, cervical, colon, and prostate  
Shots: flu, pneumococcal, Hepatitis B

## Definitions:

**Usual and Customary:** an average rate that medical professionals with similar training and experience charge in a geographic region.

**Out of Network:** Medical providers and hospitals that do not participate in your insurance network.

**Lifetime Cap:** The amount that your health insurer will pay over the lifetime of the insured policy.

## Resources

Membership has its benefits and I don't mean American Express. I am talking about membership in specialty organizations that offer opportunities to meet professionals in a field of caregivers, referral services and diverse professionals serving the general public. If you need to choose a home care agency, nursing home, hospice, care manager or have trouble finding a suitable insurance agent I have connections to assist you.

My most recent find is a referral agency with unbiased opinions to match your needs in home health care, nursing home, hospice care, independent or assisted living facilities in Westchester county.

If you have such a need please contact Holly Walters at The Place for Mom at 866-333-1352. Best of all their services are free for the general public.

## MedBillsAssist

Our Mission is to represent our clients' best interests. We work on your behalf in an ethical manner in compliance with state and federal regulations.

We tailor our service to your specific needs.

We work with claims in collection or track and resolve claim problems for the entire family.

When you need a patient advocate to negotiate with medical providers and insurance companies, give us a call.

Medicare trained specialist.

Licensed in Connecticut, New York and Virginia.

## Legal Issues or who is in trouble this time?

Connecticut Attorney General announced a settlement in last December with Airborne Health Inc., a maker of dietary supplements. 31 other states and the District of Columbia joined in a lawsuit regarding false claims about dietary supplements. The company also failed to warn consumers about the potential risks of Vitamin A toxicity, which is particularly

harmful for pregnant women. Connecticut receives \$150,000 under the settlement, while Airborne agreed to several restrictions regarding labeling and marketing its products. Furthermore they agreed not to market any product that contains directions for use that would allow an individual ingesting 15,000 units of Vitamin A, or more per day.