



Financial Care

Finding Financial Opportunity in the
Emergency Department

Outreach Services



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Director TPL Services

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Outreach Services



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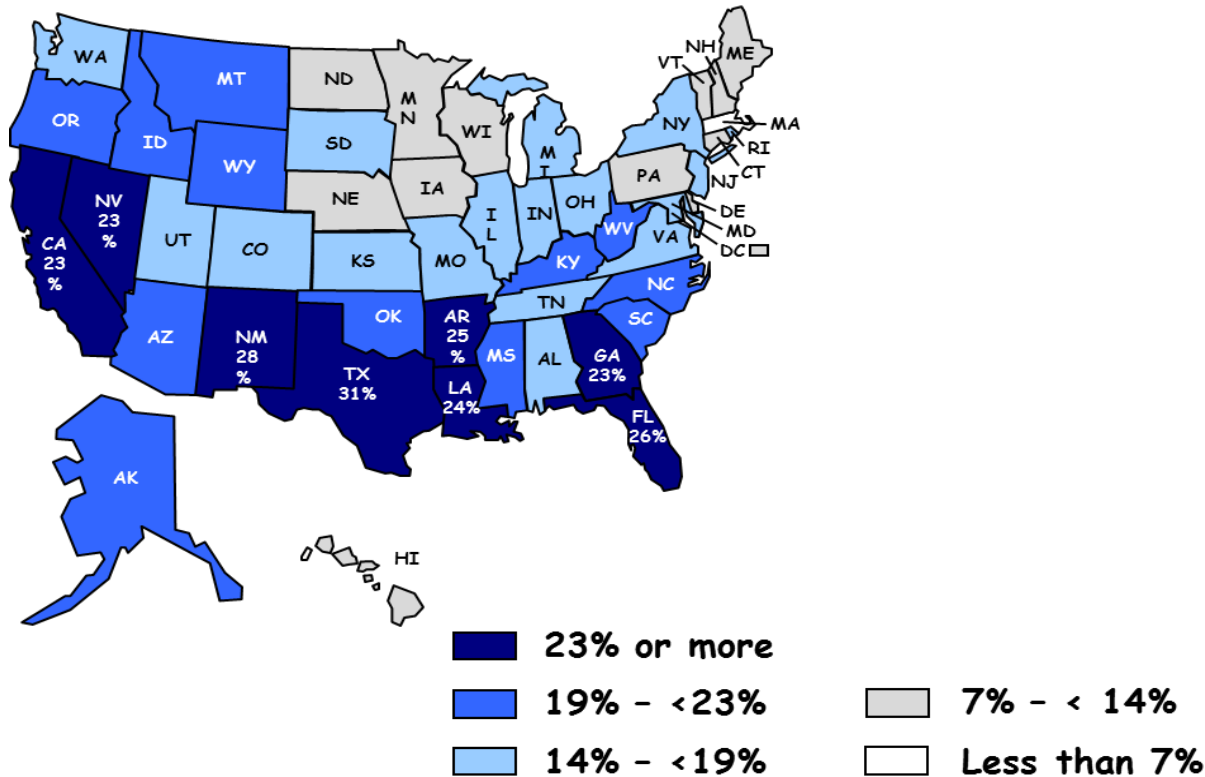
David is a Fellow with the Healthcare Financial Management Association, a Board Member of the WI Chapter of AAHAM as well as member of WAHAM and WMCA. He has been in healthcare finance long enough to have received his 5 year membership pin from AGPAM when he was a member of the Evergreen and Inland Empire Chapters in Washington State.

The Future of Healthcare



The Future of Healthcare

2008-09



Source: Urban Institute & Kaiser Commission on Medicaid & the Uninsured estimates based on the Census Bureau's March 2009 & 2010 Current Population Survey (CPS: Annual Social & Economic Supplements), available at www.statehealthfacts.org, "Health Insurance Coverage of Women 19-64, states (2008-2009)." Estimates for 2019 by Jonathan Gruber & Ian Perry of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.

The Future of Healthcare



Presentation Overview

- Health Literacy
- Assessment
 - Opportunities
 - Environment
 - Culture
- Communication & ROI
- TPL
 - Identification
 - Overview
 - Interaction
 - Best Practices
- Case Studies
 - Shands Jacksonville Medical Center
 - Renown Health



Health Literacy

1. Healthy People 2010 defines health literacy as...
“the degree to which individuals have the capacity to obtain, process, and understand basic health information and services needed to make appropriate health decisions.”
2. The AMA Council of Scientific Affairs more specifically defines functional health literacy as...
“the ability to read and comprehend prescription bottles, appointment slips, and the other essential health related materials required to successfully function as a patient.”

Source: Center for Health Care Strategies, Inc. Health Literacy facts Sheets, www.chcs.org

Health Literacy

People with low functional health literacy are less likely to:

- Understand written and oral information given by hospital staff and insurers.
- Act upon necessary procedures and directions such as medication and appointment schedules, billing.
- Be able to navigate the health system to obtain needed services.

Source: Center for Health Care Strategies, Inc. Health Literacy facts Sheets, www.chcs.org

Health Literacy

People with low functional health literacy are more likely to:

- Receive health care services through publicly financed programs.
- Incur higher health care costs.

A study of Medicaid patients found those reading below third-grade level had average annual healthcare costs four times those of the overall Medicaid population.

Source: Center for Health Care Strategies, Inc. Health Literacy facts Sheets, www.chcs.org

Health Literacy

Patients with poor health literacy skills struggle to understand basic medical forms and instructions.

- It is especially difficult for less literate patients to fill out intake forms, enroll in insurance programs for which they may be eligible, get services once enrolled, follow medical instructions, or give informed consent.
- Emergency Department patients with inadequate health literacy:
 - 4 out of 5 could not read the rights and responsibilities section of a Medicaid application.
 - Nearly 3 out of 4 did not know if they were eligible for free care.

Source: Center for Health Care Strategies, Inc. Health Literacy facts Sheets, www.chcs.org

Health Literacy

According to the National Adult Literacy Survey (NALS)...

- 44 million people (age 16 and older), or 23% of all adults in the United States are functionally illiterate.
- An additional 28% of all adults — 53.5 million people — had only marginally better reading and computational skills.
- This suggests that nearly 50% of all adults may have problems understanding prescriptions, appointment slips, informed consent documents, insurance forms, and health education materials.

Source: Center for Health Care Strategies, Inc. Health Literacy facts Sheets, www.chcs.org

Health Literacy

Only you can educate patients... If you don't do it, who will?

- a. Their own health insurance
 - Out-of-Pocket
 - Deductibles
 - Co-pays
 - Co-insurance
 - Explanation of Benefits
 - Coordination of Benefits
 - Coverages
 - Exclusions
- b. Liability insurances
- c. Availability of government programs,
- d. Charity care
- e. How these all works together

Health Literacy

Teachable Moments... Use them wisely

- Registration
- Admissions
- Financial Counseling
- Patient Advocacy
- Case Management
- Social Services
- Clinical

Assessment

- Are you starting out with lemons?
- Is the juice worth the squeeze?



Homework

1. Defined Policies & Procedures
2. Staff need to understand the team benefits
 - Patient
 - Facility
3. Patient Financial Counseling & Education
 - Centralized scheduling
 - Preadmission / testing
 - OP/Same-day surgery
 - Emergency department
 - Inpatient admitting
4. Communication, Communication, Communication...

Communication

1. We need to understand the patient's financial situation
2. All patients need to be financially triaged
 - Verify insurances
 - Collect co-payment and deductible amounts
 - Review past due account balances
 - Identify potential Third-Party liability
 - Screen for government and other benefits



Communication

1. Patients need to understand their financial situation
2. Obligations
 - Verify insurances
 - Pay co-payment and deductible amounts
 - Pay past due account balances
 - Cooperate with potential Third-Party liability
 - Apply for government benefits, etc.
 - Apply for charity care
3. Options



ROI

Patient Education Can Pay

1. **Uninsured / Underinsured**
 - Identify and realize all potential eligibility and payment sources at the time of services.
2. **Contracted Payers**
 - All patients are financially cleared before discharge. You have identified, collected and/or have a solid plan to collect all that is due.
3. **Other / Liability Payers**
 - You have identified and segregated the potential payers in hierarchical order. The correct payers are billed and pay.
4. **How it all can work together**
 - Your patients gain a better understanding of the road ahead.

THIRD-PARTY LIABILITY

Third Party Liability refers to the legal obligation of certain individuals, entities, or programs, to pay all or part of the charges

Triage

Unraveling the Viable

- Separating viable and non-viable accounts
- Questionnaire to collect accident information
- Narrowing pursuit to specific e code ranges
 - MVA Traffic Accidents (E810-E819)
 - Accidental Falls (E880-E888)

Collecting Information

What is Important?

- Patient Interview - obtain accident specifics:
 - Date
 - Time
 - Location
 - involved parties,
 - Insurance
- Requesting Incident Reports
 - Will assist in verifying incident specifics and tort-feasor information

TPL Payer Identification

Non-MVA / TPL Order of Pursuit

- MedPay/Medical coverage
 - Typical limits range from \$1000.00 - \$5000.00
- Commercial Insurance, Medicaid, Medicare, etc.
 - State exceptions
- 3rd Party Premises liability (homeowner's or commercial)

First Party PIP / MEDPAY

Submitting Claims & Securing Payment

- Insurance follows the vehicle (accident scenario will determine order of no-fault pursuit)
- Verify no-fault medical coverage
- Submit claim
- Follow up – verify receipt, schedule next follow up 2-weeks out for processing

Third Party Liability Claims

Submitting Claims & Securing Payment

- Determine liability policy holder/driver/owner
- Lien filing
- Submit claim
- Follow up – verify receipt, schedule next follow up 30 days out

HOSPITAL LIENS

Lien statutes give the provider a lien upon recoveries the patient might receive to compensate for his or her injuries. *Wis. Stat.* 779.80 (2010)

Hospital Liens - BASICS

- In Wisconsin, Liens may be filed by corporation, association or other organization operating as a charitable institution and maintaining a hospital in the state
- The lien is upon any judgment, award or determination, and upon the proceeds of any settlement which such injured person, or legal representatives might have against any such other person for damages on account of such injuries

Hospital Liens - PREPARATION

- Notice of Lien must contain:
 - ✓ Name and address of claimant
 - ✓ Name and address of patient
 - ✓ Place of domicile or residence of patient
 - ✓ Time and place of fault or negligence of tortfeasor
 - ✓ Nature of the injury, if any
 - ✓ Name and address of tortfeasor (if known)
- Signed by Claimant
- Notarized

Hospital Liens – PERFECTION

- File with the clerk of Circuit Court
 - In the county in which such injuries have occurred, or
 - In the county in which such hospital is located, or
 - In the county in which suit for recovery of such damages is pending
- 60 days after discharge from the hospital.
- Serve personally a copy of lien with the date of filing thereof to or upon the injured person and the person alleged to be liable within 10 days after filing, send by certified mail or registered mail, also send to insurer.

Hospital Liens - SATISFACTION

- What is supposed to happen . . .
 - Provider/claimant is included in settlement process
 - Payment to satisfy lien is paid directly to provider(s)
- What often happens . . .
 - Provider/claimant is ignored
 - Check is made payable to provider and patient; patient refuses to endorse without agreement to discount
 - Patient attorney takes full settlement amount and seeks to negotiate agreement to discount lien
 - Patient attorney seeks to withhold attorney's fees from portion paid to satisfy lien

Hospital Liens - ENFORCEMENT

- Payment by insurer to anyone other than provider/claimant does not satisfy lien
 - ✓ Lien is only released if provider/claimant releases lien in writing or if settlement with tort-feasor and/or insured provides for payment and discharge of lien
 - ✓ WI law specifically addresses: *Wis. Stat. § 779.80(4)*
- Remedies . . .
 - ✓ Possible arbitration for remedy
 - ✓ Lawsuit v. tort-feasor/insurer not patient
 - ✓ Lawsuit in county in which lien filed even if patient resides out of state
 - ✓ Successful claimant recovers attorney's fees & costs

TPL

Interaction With Other Payers

There are some considerations to take into account when payers such as commercial insurance, Medicaid, and Medicare exist during TPL pursuit

Risk vs. Reward

TPL Interaction With Other Payers



- Consider time (3-year statute of limitation)
- Consider your available resources/ lien filing costs
- Potential recovery
Timely filing of other payers / Establishing dollar thresholds
- Risk tolerance

Timely Filing Period

TPL Interaction With Other Payers



- Medicaid – Timely filing and TPL pursuit options
- Medicare – Timely filing and TPL pursuit options
- Commercial Insurance – Timely filing / provider agreements and TPL pursuit options

Dollar Thresholds*

TPL Interaction With Other Payers

- Considering risk tolerance and facility AR timelines/aging policies
- Thresholds should vary given the specific policy benefit you're pursuing (PIP versus TPL)
- Thresholds are important to consider when weighing resource allocation and expenses incurred pursuing low dollar TPL claims

BEST PRACTICES

TPL Interaction With Other Payers

Commercial

TPL Interaction With Other Payers

- Review provider agreement
 - Billing requirements
 - Subrogation,
 - Reimbursement rates
- Once no-fault coverages are ruled out or exhausted - submit your claim
- Based on response from the health insurer - determine pursuit of TPL
 - Valid denial = Pursue TPL
 - Payment with a remaining patient = Pursue TPL
 - Remaining balance is under your threshold = Return to patient responsibility, possible FA

Medicaid

TPL Interaction With Other Payers

- Once no-fault coverages are ruled out or exhausted, review the merits of the claim to determine whether you should submit your claim with accompanying accident information and e coded billing
- Based on response from Medicaid, determine pursuit of TPL
 - Valid denial from Medicaid based on the existence of another viable payer = Pursue TPL
 - If Medicaid is approved and payment is accepted with an accompanied contractual adjustment = Return to patient responsibility, possible FA

Medicare

TPL Interaction With Other Payers

- Review the merits of the claim to determine whether to submit your claim with accompanying accident information and e coded billing after 120 days
- Pursue TPL until 120 days, then review the merits of the claim to determine whether conditional billing should occur.
- Based on response from Medicare, determine continued pursuit of TPL

Barriers to Recovery

TPL Interaction With Other Payers



Commercial Insurance –Balance billing provisions in agreements; if no agreement can pursue TPL.

Medicaid - State and federal statutes prohibit the filing/enforcement of liens against TPL payers provided billing and payment recovery has occurred.

Medicare - Federal Medicare Secondary Payer Provisions (referenced in the MSP Manual, Ch. 2 Section 40) prohibit the filing/enforcement of liens against TPL payers provided billing and payment recovery has occurred

ER

TPL Interaction With Other Payers

- Integrate your process into the emergency department
- Obtain information about at-fault parties and their insurers prior to discharge
- Investigate all potential payers
- Pursue multiple resolution options for best payment
- Secure settlement funds with medical/hospital liens
- Manage files where the patient is represented by an attorney

CASE STUDY

SHANDS JACKSONVILLE

CASE STUDY

RENOWN REGIONAL MEDICAL CENTER

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