



April 19, 2010

Mr. Brett Davis
Administrator
Division of Health Care Access and Accountability
Room 350
1 West Wilson
Madison, WI 53702

RE: Third Party Liability For Medicaid and Private Insurance Proposal

Dear Mr. Davis,

Thank you for the invitation to submit cost saving ideas to the State of Wisconsin **Division of Health Care Access and Accountability** regarding third party liability issues as it relates to Medicaid/BadgerCare Plus and private insurance. ABC for Health proposes a partnership to develop a project to better coordinate public and private health care coverage for families that will hold private insurance companies accountable for all health benefits due under a given policy.

ABC for Health is interested starting discussions around a smaller sub group of Medicaid, such as dual eligible (private insurance/Medicaid) Katie Beckett program recipients. ABC for Health proposes to include health benefits counseling assistance to families and children with special health care needs. Providing benefits coordination to the Katie Beckett population is an important and measurable step in the process of identifying appropriate funding streams and maximizing all payment options before the Medicaid payor of last resort. Our proposed process would include creating a benefits coverage plan and working with the family to appropriately review and identify potential third-party liability for insurance coverage. We expect certain therapy services to result in a high level of payment rejection.

In order to initiate the project, ABC for Health recommends a meeting with you as well as the appropriate DHCAA staff to fully evaluate claims rejected by private insurance and then paid by Wisconsin Medicaid. This meeting would accomplish several things:

- ✓ Evaluate the number of dual eligible Katie Beckett recipients
- ✓ Identify dollar amounts of claims and review thresholds to keep investigative work cost effective
- ✓ Develop the process for referral and review of such claims
- ✓ Discuss process for notifying families of the review process
- ✓ Set a meeting with Katie Beckett Program staff

With appropriate monitoring of insurance cost shifting activities, we can develop a strong deterrent effect to both discourage and further evaluate the insurance industry practice of



inappropriate cost shifting. ABC for Health uses a comprehensive contract review and analysis process as summarized in the enclosed CD containing *The Health Insurance Guidebook*.

To start the project ABC for Health would:

1. Select a region of Katie Beckett recipients, perhaps the Dane County/South Central Wisconsin region.
2. Develop criteria for case referrals from Medicaid to identify appropriate and cost effective cases for review. ABC recommends targeting larger cases at the onset of the project. Obviously, small value insurance denials may not result in a positive financial impact but may nevertheless extend an important deterrent message. However, we suggest a review of aggregate claims above a \$3000 amount as a threshold to initiate the project.
3. Conduct contract analysis and review to identify health insurance liability. We could refer cases requiring litigation to determine potential liability to the Attorney General's Office.

Staffing for this proposed project would require funding that should result in a return on investment for the state. Such a project requires start up-funding to develop the program infrastructure. This initial grant could emerge under a contingency arrangement to finance the investigation and evaluation of insurance denials. After a three to six month evaluation, we could further expand the project to more Katie Beckett recipients or other dual eligible (private insurance/Medicaid) recipients where coordination of benefit issues and private insurance related denials are problematic. The project would carefully track the rate of return to Wisconsin Medicaid after the development stage.

Please contact me so that we can develop the ideas outlined in this proposal more fully. We look forward to the opportunity to explore this concept further.

Sincerely,

A handwritten signature in cursive script that reads 'Bobby'.

Bobby Peterson
Executive Director
ABC for Health, Inc.

Enclosed: One (1) CD containing HealthWatch Wisconsin publications: *My Health Insurance Guidebook* and *My Health Reform Guidebook*.