



ERISA Advocacy Presents

## Understanding Your Health Benefits Booklet Language

### Common Terms Used in Insurance

- SPD stands for Summary Plan Description**, your benefits booklet that tells how things are paid, what's covered, what's not covered, how to file a claim or appeal and more.
- The SPD also defines how out of network reimbursement is calculated. It can be labeled as Maximum Allowable, Allowed Amount Eligible or other terms. It usually has one definition but there are some plans that have up to 5 possible methods. **If your plan states out of network reimbursement is based on a percentage of CMS rates they will have to produce the fee schedule, rate table, chart or other methodology used** because CMS has no reimbursement rates for lipedema surgery codes.
- No SPD will contain the actual fee schedule or other methodology.** This has to be requested and furnished or the plan (self funded) or insurance company (fully funded) is in violation of ERISA.

- This is the most you have to pay out of your own pocket per year.**
- Some plans will apply out of pocket costs to both the in network and out of network limits but that is very rare.
- Most plans have a separate out of pocket maximum for in network and out of network and state they will pay 100% of the allowed amount or contracted rate for the rest of the year.
- Plans will also state what does not get applied to the maximum out of pocket**, examples are services excluded from coverage and amounts over the "Allowed Amount" charged by the provider.

#### Co-Insurance

- Coinsurance is the cost you will pay for services received.**
  - For example:** if in network has a 10% coinsurance you will pay 10% of the contracted rate after your deductible is met, that is your coinsurance & your responsibility. If you have an out of network plan more than likely your coinsurance will be 30% of the **billed charges or allowed amount** after the deductible is met.
- No insurance company will pay 100% of billed charges to an out of network provider. They determine an allowed amount which could be according to the plan document (SPD) specifications or not.

#### Medical Necessity

##### ERISA has strict rules regarding medical necessity:

- A medical reviewer needs to be board certified or licensed in the same specialty as the provider requesting medical necessity.**
  - For example:** Dr. Jones is an OB/GYN and decided the preauthorization request did not meet medical necessity is not qualified under ERISA.
- The reviewer of an appeal cannot be the same provider who reviewed the original request.**
  - For example:** If Dr. Smith denied the initial request and an appeal was done Dr. Smith cannot review the appeal nor anyone who works for him or is a partner with him.
- A documented, dated and signed review along with the reviewer's credentials must be furnished upon request.**

#### Deductible

- A deductible is a set amount according to your plan you must accumulate & pay before the plan specifications listed in coinsurance apply.
  - For example:** If you have a \$1,000 deductible you will have to pay \$1,000 out of pocket before your coinsurance of 20% applies.

#### In network/ Participating Provider

- Refers to any doctor, surgeon, hospital etc. **who has contracted** with the insurance company (payer) to accept a discounted contract rate for their services. In network providers are paid per their contracted rate.

#### Out of Network/ Non- Participating Provider

- Refers to any doctor, surgeon, hospital etc. **who has no contract**. Not with an insurance company like UHC, Blue, Aetna etc. or a repricing company like Multiplan, Global Claim Services, etc. **Out of network providers should be paid according to the SPD even with a GAP exception.**

### How a GAP Exception Works

If you have a GAP exception (it can be named other things) in your plan and you have out of network benefits you may be able to reduce your patient responsibility.

#### For Example:

- if your normal out of network coinsurance is 30% your coinsurance could be reduced to the in network coinsurance of 20%.
- It only applies to your cost sharing responsibility** NOT provider reimbursement.
- The out of network provider will still be reimbursed at the out of network definition in the SPD.
- The same applies if you paid upfront and file your own claims for reimbursement. You will only get paid at the out of network rate.
- If your plan does not offer GAP exceptions you can ask but may not get one.

### How an SCA (Single Case Agreement) Works

An SCA is an agreement that is negotiated between the out of network provider and the insurance company. If an agreement is reached, the reimbursement the out of network provider will receive is the amount specified in the SCA. The language usually states the out of network provider cannot balance bill the patient and the patient owes only their in-network deductible, coinsurance or copay.

**\*\*As the name implies the agreement applies only to the date of service specified in the SCA.** Additional surgery dates would have to have separate SCAs negotiated.

#### What is an "SPD"?

#### Out of Pocket Maximum

## MEET LEA FOWLER



### ERISA EXPERT

Lea is an ERISA health claim appeals expert. Since 2008, she has recovered millions of dollars using ERISA level appeals. She improves revenues with minimal impact to your existing resources by using ERISA for recovery. **Insurance companies have been ignoring the law long enough, it's time to hold them accountable**

Lea's goal is to educate as many people as possible on why ERISA is the best strategy for appeals and to help patients reduce the amount they owe to the provider that their carrier should be paying. **Lea is qualified to handle any type of claim in any health care specialty. And she can help YOU with your lipedema surgical insurance processing.**

**Whether you are a patient or a provider, Lea can help you navigate the confusing world of insurance rights and reimbursement.**



**ERISA ADVOCACY**

*Lea Fowler*

Presents

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**Special thanks** to FDRS 2025 for hosting ERISA Advocacy this year! And thank you to this years FDRS booth sponsors: Dr Su with Art Lipo and Dr Wright with Lipedema Surgical Solutions.

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