

The ReCOREder

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Core Recovery Bureau Quarterly Newsletter

Robin Snider, Editor

Editors Note: I think that every Northern Michigan resident is feeling the inspiration that comes with Spring – Even the morning air is more energizing to breathe now that it comes with the forgotten scents of earth and life. With that inspiration in mind, I have decided to leave my position at Core Recovery to spend more time at home with my three-year-old little girl celebrating the beautiful area that we live in. This decision was very hard for me to make. Core Recovery is a wonderful place to work – mostly due to the wonderful people I work with. But, when I saw Mackenzie fervently splashing in the first mud puddles of the season, I knew I had made the right decision.

I am happy to announce, though, that Core Recovery has found a very promising person to fill my position. Jeanne Martin will be taking over for me and she is already making this transition as seamless as possible! Because of her hard work and ambition, I know that you are in good hands.

I will certainly miss working with all of you. Our visits and conversations over the phone were one of the reasons why my decision was so hard to make.

Best Wishes!

Legal Facts You Need to Know

Firing a patient who declares bankruptcy—what is your responsibility?

A medical practice realized that they were in a sticky situation when a patient requested services after declaring bankruptcy. How can the doctor legally sever the relationship due to non-payment for services rendered?

In this situation it might seem that the perfect solution would be to terminate the physician/patient relationship by writing a letter to the patient. But you may be asking for trouble by doing this. “Unless it is an emergency situation, the doctor can fire the patient for any reason except an unpaid balance,” says Frederic W. Burr of Burr and Reid, LLP, in Vestal, New York. “Firing a patient because of an unpaid balance could be construed as an attempt to collect a debt discharged in bankruptcy,” he adds.

Burr warns that one must proceed with caution in this situation. He says, “Firing the patient for non-payment of a fee is probably the most difficult reason for terminating a physician-patient relationship and should be undertaken only if attempts to work out payment arrangements have failed.” He adds:

If the practice refers the patient to collection or legal action, the patient will most likely terminate on her or his own. If the patient goes bankrupt, however, the physician has no recourse but to consider the fee irrecoverable since the debt has been discharged in the bankruptcy. If the physician cites the unpaid balance in the discharge letter, avoid any implication that discharge can be avoided by paying the debt discharged in bankruptcy.

Constructing the Letter

The termination letter should tell the patient he or she has 30 days to tell the physician where he or she wants his or her records to be sent or the records will be sent to him or her by certified mail. “That does not mean, however, that the physician is on the hook to continue to treat him or her for that period of time,” Burr advises.

Discharge letters should be specific as to reasons. Let the patient know what has occurred that mandates the termination of the relationship. Perhaps it is continued missed appointments, failure to follow directions, or other reasons. Encourage the patient to follow up and find another doctor. Give the name of a hospital hotline that provides information about physicians or your local medical society’s phone number. Send this discharge letter via certified mail. This is not required, but notice to the patient is and certified mail provides you with appropriate evidence of the notice.

Waiving Co-Payments is Bad Policy

Court rules for carriers

Providers absolving patients from any post-insurance liability prior to receiving payment from the carrier have been deemed to have waved any responsibility on the part of the carrier to make payment on claims. This happened in *Kennedy v. Connecticut General Life Ins.* (924 F.2d 698 (7th Circuit, 1991)). In *Kennedy*, the provider agreed with its patients, who were covered under an Employee Retirement Income Security Act of 1974 (ERISA) plan, to waive co-payments. Suspecting noncompliance, the carrier (CIGNA) demanded proof of compliance with the other co-payment provisions from the provider. The provider, in response to the demand, forwarded a copy of its agreement with a patient waiving the co-payment and the carrier refused to pay

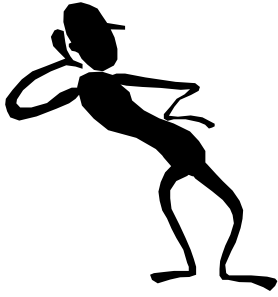
the provider anything on its claims. The provider thereupon filed suit as the assignee of the patient’s claims.

“This case was litigated in both the state and federal courts,” says attorney Fredric W. Burr of Burr & Reid in Vestal, New York. The state court held that the provider could sue the carrier on its assigned collection claims, even if the ERISA plan disallowed assignment of the benefits of the contract. “The federal courts, focusing on the waiver of co-payments, found in the carrier’s favor. By agreeing to look exclusively to the carrier for payment, the provider relieved the patient of any liability to pay anything.”

A SWEET LESSON IN HUMANITY

Years ago, a 10-year-old boy approached the counter of a soda shop and climbed on to the stool. “What does an ice cream sundae cost?” He asked the waitress. “Fifty Cents,” she answered. “The youngster reached deep in his pockets and pulled out an assortment of change, counting it carefully as the waitress grew impatient. She had *bigger* customers to wait on. “Well, how much would just *plain* ice cream be?” the boy asked. The waitress responded with noticeable irritation in her voice, “Thirty-five cents.” Again, the boy slowly counted his money. “May I have some plain ice cream in a dish then, please?” He gave the waitress the correct amount, and she brought him the ice cream. Later, the waitress returned to clear the boy’s dish and when she picked it up, she felt a lump in her throat. There on the counter the boy had left two nickels and five pennies. She realized that he had had enough money for the sundae, but sacrificed it so that he could leave her a tip.

“It’s so simple to be wise. Just think of something stupid to say—and then don’t say it.” --Sam Levenson, humorist



Wisdom of the Ages

“Don’t be afraid of the phrase, ‘I don’t know.’” If you don’t know the answer, don’t try to bluff. If you’re at fault, take the blame. If you’re wrong, apologize. A wise person once said, “If you always tell the truth, you never have to remember anything.”

“Never gossip.” And if someone wants to gossip with you, politely say you’re not interested. This corporate adage rings true: when someone gossips, two careers are hurt—the person being talked about, and the person doing the talking.

“No task is beneath you.” Don’t think you are above anything. Be the good example and pitch in—especially if the job is one that nobody wants to do.

“Share the credit whenever possible.” Managers who spread credit around look much stronger than those who take all the credit themselves.

“Ask for help.” If you think you are in over your head, you are. Before it gets out of hand, ask someone for help—most people enjoy giving a hand. Besides saving yourself from embarrassment, you’ll make a friend and an ally.

“Keep your salary to yourself.” Discussing salary is a no-win proposition. Either you’ll be upset because someone is making more than you, or someone will be upset with you.

“When you don’t like someone, don’t let it show.” Especially if you outrank them. Never burn bridges or offend others as you move ahead.

“Let it go.” What shouldn’t happen often does. You weren’t given the project you wanted, you were passed over for the promotion you deserved. Be gracious and

diplomatic...and move on. Harboring a grudge won’t advance your career.

“When you’re right, don’t gloat.” The only time you should ever use the phrase “I told you so” is if someone says to you: “You were right. I really could succeed at that project.”

Nearly 50-percent of Americans who filed for bankruptcy protection in 1999 cited medical bills and the inability to cope with the financial consequences of illness or injury as a factor in their financial troubles (Source: “Study Cites Medical Bills for Many Bankruptcies,” washingtonpost.com, April 24, 2000)

HIPAA COMPLAINTS

As of the April 2003 deadline for Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy standards, more than 3,000 complaints have been filed regarding possible violations, and the numbers will go up. Roughly 3,400 complaints have been filed with the Department of Health and Human Services’ (HHS’) Office of Civil Rights (OCR), according to a spokesperson. These figures reflect complaints received through the middle of June.

Among issues cited are protests over denials of requests to amend records and allegedly improper disclosures of personal health information. In addition, the OCR has received several HIPAA privacy complaints from employees reporting the organization where they work. “I don’t know if it is full-fledged whistle blowing, but it’s along those lines,” stated Stephanie Kaminsky, JD the OCR liaison to the National Committee on Vital and Health Statistics (NCVHS). The OCR is still developing criteria for when to refer a complaint to the Department of Justice for criminal prosecution. Complaints referred for prosecution were not disclosed.

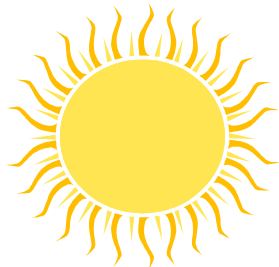
A smile is a little curve that sets things straight.

Irv Furman – Magician and Speaker

Myth: Collectors force people into bankruptcy.

Fact: In reality, it would not make sense for a collector to encourage a consumer to file for bankruptcy. When people file for bankruptcy, their financial obligations to their creditors are usually wiped clean—and the credit grantor and collector receive very little or nothing.

Collectors understand that people in financial trouble often need guidance in settling their accounts without expensive litigation, and often need the flexibility of alternative payment arrangements to work out their financial trouble. A collector's business is to collect, but in practice, collecting often includes counseling.



CLEAR VISION

Visiting the coast for a board meeting, a harried CEO decided to take a rare few moments for relaxation and fishing. As he hurried to the pier in search of his charter, he was surprised to find a commercial fisherman lying on the dock next to his boat, taking a siesta in the afternoon sun.

“You there,” the CEO said. “Aren’t you a commercial fisherman?”

The fisherman pushed his cap back from his face and looked up. “Yep,” he answered.

“Then why aren’t you out fishing?”

If he was annoyed at the intrusion, the fisherman never showed it. “I’ve already caught enough fish today,” he said.

“But you could catch more!” the CEO persisted.

“Why would I want to do that?”

“To *earn* more, of course! Then you could get a bigger boat and go out farther where you would catch more fish. Then you could buy large nets and hire people to help you. Soon you might own a fleet of boats and be head of your own corporation—a rich and powerful man like me.”

Again the fisherman asked, “Why would I want to do that?”

Flabbergasted, the CEO nearly shouted, “So you could *enjoy* life!”

The fisherman grinned as he pulled his cap back down to shield his eyes from the sun. “Buddy, I’m doing that now.”

BANKRUPTCY

According to the Consumer Bankruptcy Project, Americans and older are increasingly finding themselves in debt and filing for bankruptcy. The percentage of senior citizens filing for bankruptcy has drastically increased 244% over the last 10 years. Alimony, child support, and most taxes survive bankruptcy and will still be owed.

Source: www.acainternational.org, “Waiving Co-Payments is Bad Policy” and “Charity Care and Collection Policies” adapted from Health Care Collector Vol. 17, No 8
“Legal Facts You Need to Know” adapted from Health Care Collector, Vol 16, No. 10,
“HIPAA” adapted from Health Care Collector, Vol. 17, No. 9

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