

The Insurance Intelligencer

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There is no such thing as a PPO

Most of my appeals these days are for treatments which have not been denied. They are for treatments which have been approved at the "out-of-network" rate. Huh? How can you appeal a treatment which has not been denied? And why would you?

PPO = Pitiful Puny Offering

In my world, PPO stands for "Pitiful Puny Offering." An approval to pay for a treatment at the out-of-network rate is the same as a denial. In other words, a PPO is just an overpriced HMO ... an wolfish HMO in sheep's clothing.

A PPO is the perfect vehicle for charging the patient more, paying the medical provider less, and perpetrating an illusion of coverage. Here is how it works, time after time, to people just like you:

1. To your shock and dismay, you are diagnosed with a fast-moving, malignant brain tumor. You make the rounds of the local in-network brain surgeons. Either they won't even try to remove it, or they say the most horrifying things to you ("Oh, you will just lose the power to understand words ... no big deal") that you start looking for an expert brain surgeon.
2. You find your expert. He is halfway across the country, and he is out-of-network for your insurance. At this point, one of two things can happen. Either your insurer denies the out-of-network coverage, decreeing that you must go to the local in-network talent, or they approve the surgery at the out-of-network rate.
3. You look at your benefits booklet. It says that your insurer will pay "80%." If you are really planning ahead, you get an estimate. The out-of-network surgeon tells you that his fee will be approximately \$20,000. You think, "I will have to come up with \$4,000. I can do that."
4. You undergo your brain surgery. The surgery is successful, and you can still speak and understand words. Soon, you get a bill for \$19,200. What happened?
5. You just got snookered by the PPO game. The key question: "What are they offering to pay 80% of?" No PPO ever pays a percentage of billed charges. If they did that, they would not be in control of how much they are going to pay.

If you read the fine print a little more closely, you will see that the insurance company is offering to pay 80% of whatever the insurance company considers to be "reasonable and customary." Have you guessed yet that "reasonable and customary" means unreasonable, not customary, secret, constantly changing, determined by the insurance company—and very, very little. Pennies on the dollar.

In your brain surgery case, the insurer decided that \$1,000 of the surgeon's charge was "reasonable," and they paid \$800. Joke's on you, you get to pay the rest.

Is it any mystery why some of the most accomplished, dedicated doctors—the ones with the best outcomes—do not want to be contracted with your insurance company?

It is really a brilliant scheme. If it were up to me, I would reform healthcare in this country by abolishing all networks. Who benefits from them, except insurance companies?

Which brings me to my latest case ...

We laughed, we cried, we won

A few weeks ago, I heard from Nicole in the Midwest. Her seven-month-old daughter Mikenna was born with craniosynostosis—a premature closure of one of the sutures of the skull, which requires a surgery called "posterior cranial vault remodeling." This surgery is just as serious as it sounds—the skull needs to be taken apart, remodeled, and put back together again. A successful skull remodel that lasts for a lifetime is a work of art and science. As with any complex and artful surgery, the surgeons who are best at it are few and far between—and probably not in-network.

Nicole has a PPO. Within a few months of her daughter's birth, she was making the rounds of the local in-network plastic surgeons to whom she had been referred. One of the surgeons offhandedly mentioned blood transfusions, repeat surgeries, and tossed off this remark: "Of course she might die, you know."

Nicole was horrified by this presentation. So horrified, in fact, that she said to her family, "I would rather deal with whatever developmental delays or other problems she may have, and not have the surgery at all."

Of course, being a mom, Nicole didn't stop there. She started googling, and immediately came to www.craniokids.com—an online support community for families of children with craniosynostosis.

It wasn't long before she heard great things about Dr. Fearon in Texas, and saw photos of babies whose little heads looked perfect. Nicole sent medical records and photos to Dr. Fearon's office, and consulted with him by phone.

When they got to the insurance piece, Nicole said, "I have Blue Cross Blue Shield in my state. I have heard that you are out-of-network for them, but I have a PPO." Dr. Fearon said, "I hope that it doesn't come to this, but you may have to call Laurie Todd."

Nicole's Blue Cross Blue Shield approved the surgery as out-of-network. Dr. Fearon's office explained to her that that would not suffice. She would have to persuade BC/BS to sign a single-case agreement with his office.

Making an insurer agree to pay a percentage of an unknown future amount is a tricky business. You can't appeal, because they didn't deny it. When I learned to call it a "request for reconsideration" ... I was off and running. Most of the appeals that I have

written have been for the purpose of making insurers who have approved treatments pay a fair and just amount for lifesaving medical treatments.

I send appeals on Sunday night—faxing an emailing them simultaneously to the highest-level decision-makers at the insurance company. It took the full-on, all-out, 24/7 efforts of both Nicole and I for one week to persuade her insurer to sign the contract with Dr. Fearon's office. We laughed, we cried, we made up funny nicknames for the movers and shakers at BC/BS.

Nicole's insurer signed the contract on Friday afternoon. Nicole, her husband, and Mikenna left for Dallas the next morning. The surgery was a safe, uneventful, brilliant success.

I always ask my mom-helpees to get a photo of their babies on Dr. Fearon's knee. If you wonder why I stay up all night writing appeals, have a look below:



Peaceful and happy insurance warrior-ing,

Laurie Todd

www.theinsurancewarrior.com

