



TO: Prospective and current residents, family members, guardians and payors

FROM: Ben Y. Robinson, President and CEO

DATE: 7/18/18

RE: Insurance Reimbursement for Residential Services

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#### Rose Hill Center

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I am writing to provide you with an overview of the status of insurance reimbursement for Residential Services provided by Rose Hill Center. It is important that you fully understand the efforts that Rose Hill makes to assist you in securing insurance reimbursement and the many frustrations/disappointments that we all often encounter in this regard. Notwithstanding our best collective efforts, commercial insurance carriers often (but not always) will deny or severely limit insurance reimbursement for our services. In our view, this flies in the face of the federal behavioral health parity laws that are still being clarified in the courts around the country.

Currently, Rose Hill is not paneled with any commercial insurance carriers, nor are we participating in the Medicare or Medicaid programs. However, we do serve residents referred to us by some of Michigan's public mental health agencies or authorities (Medicaid) and on occasion referred to us by the public mental health system of another state (usually Medicaid also). We also enter into 'single case agreements' or seek 'out-of-network' authorization with insurance carriers who agree to a placement at Rose Hill. Those agreements are based on 'medical necessity' that is interpreted differently from carrier to carrier, are for a limited period of time and for specified daily per-diem reimbursement (that is usually significantly less than our charges). This is a process of authorization, re-authorization, denial, and appeal. In addition, you should be aware that your commercial insurance policy may be subject to substantial co-pays and deductibles, which usually start over on the renewal of the coverage or with a change in carriers.

Rose Hill has had experience entering into single case agreements with Blue Cross Blue Shield of Michigan (and that carrier's local affiliates) and Health Alliance Plan, a Michigan based insurance carrier. We work directly with these two insurance companies and the family to seek some degree of per-diem insurance coverage. Rose Hill also contracts with a New Jersey based company called SJ Health Insurance Advocates to secure 'single case agreements' or 'out-of-network authorizations' with all other commercial insurance carriers. Once coverage is authorized, SJ then to submits claims, follows-up on unpaid claims, manages the authorization, re-authorization and appeals processes. Of course, often our clinicians and doctors are brought into these various reviews with the insurance company's review teams.

The beginning step in the process is for us to secure a 'determination of benefits' from your insurance carrier to see if your policy offers a 'residential psychiatric' benefit, and then whether the programs offered by Rose Hill fit that insurance carrier's requirements for residential care. Even if both of these questions are answered positively, it is not uncommon for coverage to be denied on the day of admission, or shortly after admission due to the carrier's determination that the resident does not meet 'medical necessity'. If the resident does meet 'medical necessity' at admission, the length of insurance coverage is usually only several weeks to a month – although there are exceptions – and as mentioned above you may be subject to certain co-pays and deductibles. As a result of these factors, it is essential that another form of payment be in place for the resident's treatment at Rose Hill beyond insurance.



In addition, Rose Hill also contracts with the Michigan based law firm Clark Hill to help us address the all too common situation where an insurance carrier has authorized care and payment, but for a variety of reasons refuses to pay. Also, in cases where there is no insurance coverage for our per-diem charges, or where coverage is terminated, we can provide you with invoices for certain clinical services that might be reimbursable to you by your insurance carrier – for you to submit to that carrier. Examples would be psychiatric assessments, psychiatric medication reviews, individual or group therapy provided by a licensed clinician, and certain nursing services. Again, we caution you to have low expectation for reimbursement.

In closing let me affirm that Rose Hill will use its best efforts in working with you, SJ Health Insurance Advocates, our law firm and your insurance carrier to secure as much reimbursement as possible - in spite of the many obstacles that I have described here. I want you to know that Rose Hill is making a significant financial investment in assisting you in securing insurance payment - insurance reimbursement is usually lower than our charges, we have substantial payments to SJ Health Insurance Advocates and to our law firm for their services, and we commit an increasing amount of staff time to manage these processes. This is a team effort and we will need your assistance in advocating as a policy holder, while we and our consultants advocate as a provider! Please contact us to discuss your individual situation!



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