



An Insurer's Intention to Defraud

LETTERS TO THE EDITOR

I read with interest the articles and letters to the editor on "Defrauding" in recent issues of Sierra Sacramento Valley Medicine. I think more ought to be said about the ongoing problem and probably even more about the solution.

Recently, my office manager was checking reimbursements for my charges and found that one company had been paying us at 1994 rates, approximately 40 percent less than contracted. She called the company after resubmitting our billings, but a pleasant clerk stated that the reimbursement would remain the same because there were "plenty of doctors in your area that will see patients for that rate."

My manager complained and quoted the contract language on the percentage of Medicare reimbursement that would be made. The clerk said she would check on it. Her return phone call indicated a slight increase in reimbursement, still 30 percent below the contracted rate. My office manager complained again, asking for her supervisor - whose response was that this was the going rate for the whole region and it did not matter what the contract said. My office manager thought that was a blatant disregard of the company's contract and said she would check with the insurance commissioner about it.

With that, the supervisor said she would check with the company. Several weeks later an Insurance company representative called to say that indeed a check had been made with the "East Coast headquarters" and that rates would be raised to the 2000 level on July 1, 2001. Even so, that is still 7 percent below their agreed-upon contracted rate on the commonest CPT codes.

This is the action of one insurance company that is apparently intending to defraud. It would be very interesting to know how many more insurance companies are doing the same.

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