

5 LTCL claim payment secrets

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Mitch Abrams has come up with a way to build a solid [home care](#) agency: He has developed a good system for seeking reimbursement from private long-term care insurance (LTCL) companies.

Abrams has been a managing partner at [Homewatch Caregivers Northshore](#) since 2009. His organization now helps send more than 200 professional care providers into clients' homes.

About 42 percent of the clients have some kind of [private LTCL coverage](#), compared with a percentage of about 5 percent to 10 percent at a typical home care percentage.

The high use of private LTCI is partly the result of the fact that the agency is based in Northbrook, Ill., and operates in affluent communities near Chicago. But the agency also has a high percentage of private LTCI patients because it takes responsibility for filing LTCI claims with insurers and resolving problems with claim payments.

For a look at some of what Abrams has learned from setting up a system to bill the LTCI carriers, read on.

1. The little things count

Abrams says his agency is different from many because it puts all service and billing records online, and it uses telephone calls from the care providers and the Caller ID to document what care the providers have delivered, where, and when.

The agency uses its system to create detailed invoices for patients every two weeks. The detailed invoices can help patients show why they qualify for private LTCI benefits, Abrams says.

But, in many cases, he says, Homewatch has to print out the invoices and fax them to the insurers, because LTCI claim administrators often have no ability to handle electronic claim submissions.

2. The percentage of LTC providers prepared to bill private LTCI carriers -- and resolve billing problems -- is low

Abrams says his agency sets itself apart from the competition by performing some patient advocacy services.

In many cases, if consumers have problems with getting claims paid, his agency will get clients or family members to give the agency the authority to help them communicate with the insurer. At this point, he says, even many hospitals and other acute care providers that are used to untangling major medical insurance claim problems have the agency tackle any claim problems that involve private LTCI.

3. Different types of LTC payers providers mostly operate in their own separate silos

Abrams is active in home care groups, and he says he has a good relationship with the LTCI agents and brokers in his area. Many veteran LTCI producers want a way to help clients who bought policies 20 or 30 years ago and now need to file claims, he says.

But he says he rarely talks to anyone involved with an insurance company other than a call center customer service representative, and that he can't remember talking to representatives from any insurance carrier associations.

He also sees no evidence that local Medicaid program managers are interested either in what he does or in private LTCI. As far as he can see, the people involved with Medicaid, insurance companies and providing LTC services usually operate in separate silos.

4. The private insurers that are still in the market tend to offer better customer service

If Abrams has a choice, he'd rather be talking to the customer service reps from the insurers that are still selling private LTCI.

"The stronger players are dramatically better" when it comes to customer service, Abrams said.

Working with a carrier that has left the LTCI market can involve long, difficult efforts to reach customer service reps, Abrams said.

But Abrams said the big, well-known LTCI issuers are good at paying claims smoothly once patients document that they qualify for benefits payments.

5. Private insurers do a lot better at paying claims than Medicaid does

LTCI carriers may be facing withering glares from investors who wonder why they have a hard time earning ever-increasing levels of return on equity when interest rates are near 0 percent, but, to Abrams, the big LTCI issuers are "the bank." He sees them as being much better organized than, and much more stable than, Medicaid.

Medicaid does help pay for home care in Illinois -- but not smoothly.

"The worst payer in the long-term care insurance space is better than Medicaid in Illinois," Abrams said. "There's no comparison."