



Health Care Administrators Association
The Value of Connection

HCAA REPORTS

NEWSLETTER

Spring 2008



Letter from the President

Be Prepared...

Linda Ludwick, Mountain States Administrative Services

It's just one of the things I learned when I was a Girl Scout, funny how that stands out now. Is your TPA ready to face the call of true transparency? Are you ready to stop using carriers who have blind PPOs? Integrity with a smile; isn't that what we are all about?

HCAA is an organization formed with a group of TPAs willing to work through - and with you - on any and all of the issues facing each of us. Have you signed in and used our list serve tool? Just last week I put a question out to my peer members and had over 15 different TPAs respond! It was amazing.

Use your membership to the HCAA organization as the tool we hope it becomes for you. We have had a very strong year of growth and as my Presidency winds down, the organization continues to grow and prosper. You the members are a great group! Thanks for everything you do to keep us great!

Reserve your space at the TPA University in July; it is selling out quickly!

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See you all soon!

6th Annual TPA University

Executive Blueprint for Operations Excellence

"TPA Best Practices for current and future leaders within your organization"

July 16-18, 2008
Hotel Nikko, San Francisco

Since 2002, HCAA has provided TPA and other health care professionals from around the country an exciting forum to meet, mingle and learn at our annual TPA University. This year will be no exception. Come join us in the magical city by the bay, San Francisco, to get the most comprehensive overview of current trends and issues within Third Party Administration.

We are offering an outstanding program featuring expert speakers and instructors and the best networking opportunities under one roof. This year's focus, Executive Blueprint for Operations Excellence, will provide TPA professionals with valuable insight on the best practices for current and future leaders of your organization. Additionally, HCAA is an approved provider of Continuing Education credits in the health care industry.

[Click here to view the full agenda](#)

[Click here to register online](#)

Make your hotel reservations now by calling (800) 248-3308 or (415) 394-1111. Be sure to reference "Health Care Administrators Association" to receive the group rate of \$245. Reservations must be made by June 16, 2008 in order to receive the discounted rate.


Sponsorship Opportunities are still available! [Click here for details](#)

Update on HCAA's Continuing Education Online Program

From: Dave Reynolds, HCAA Board of Directors

The continuing education committee has been hard at work formulating all aspects of our continuing education program for brokers, consultants, HR, and CFO professionals. To refresh your memory, HCAA will be sponsoring a multiple part CE program, that when completed, will bestow the designation of Certified Self Funding Specialist. This project was initiated to serve two purposes. First, offer the marketplace an online,

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easy to use vehicle for training on all facets of self funding. As many of you know, the marketplace is moving back towards self funding but much of the knowledge base, having to do with self funding and how it works, is no longer available in our distribution system (i.e. brokers / consultants and human resources). This direction was supported by a survey, sponsored by the CE Committee, to brokers who indicated the pressing need for this type of product. Secondly, to raise awareness within both our client base and our distribution systems on how to correctly implement a successful self funding program using a TPA, thereby increasing the number of potential clients for the TPA industry.

At this point the program is still under development but we wanted to share a few things with you. We have selected the course content reference material and have engaged a subject matter expert to map the information into questions for each section. We have almost completed the contracting for student access to the material online and a vendor to host and track the online product. HCAA will issue the certification document and will achieve a great deal of marketing exposure as part of this effort. The first module should be ready by the summer so the certification process can begin with the remaining modules to follow closely thereafter.

This is another example of how HCAA supports the TPA industry. A member of the CE committee will be sharing more details with you at our next TPA University in San Francisco. You won't want to miss this announcement!

Plan Consistency

By Adam V. Russo, Esq.

As we all know, plan documents have become very complex in recent years. That's because many benefit plans provide multiple programs such as medical, group-term life insurance, short and long term disability benefits, prescription, dental, vision, and others.

Plans can summarize all programs in a single SPD that can run to hundreds of pages or use a wrap document establishing provisions applicable to all plans and incorporating booklets prepared by TPAs.

If drafting is kept up-to-date and done carefully, nothing will go wrong. Problems arise if the SPD omits important provisions that are included in another document. Two recent cases came to different conclusions on the impact of such modifications on the rights of plans to recover benefits paid from settlements.

In *Administrative Committee for the Wal-Mart Stores, Inc. Associates Health and Welfare Plan v. Salazar*, 2007 WL 2409513 (D.Ariz., Aug. 20, 2007), the Wal-Mart plan paid more than \$63,000 in medical claims relating to an auto accident.

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Salazar settled her tort claim against the other driver for \$250,000, the limits available from the liability insurer and refused to reimburse Wal-Mart. The court extensively reviewed the history of the relevant wrap documents over the period related to the claims and found that the SPD had adequate provisions to entitle Wal-Mart to recover the claims it had paid.

The *Burgett v. MEBA Medical and Benefits Plan*, 2007 WL 2815745 (E.D. Tex., Sept. 25, 2007) involved medical bills totaling \$90,000. When the patient's father refused to sign a reimbursement agreement, the plan refused to pay any accident related claims. Burgett sued the plan to pay the accident related benefits.

The plan document had a subrogation provision that stated a covered person had to execute and deliver such instruments and take such actions as the plan may require to protect the plan's rights. The SPD also had a subrogation provision but omitted the above-referenced requirement of the plan document.

The court found that the SPD had no requirement that the beneficiaries or participants had to execute a subrogation agreement before having their claim for benefits processed. The court held that in the absence of the provision, the SPD controls, and thus the plan was required to honor the claim even though the plan participant did not execute the required subrogation agreement.

It is critically important for plan sponsors to be absolutely sure that if the SPD is supplemented by or wrapped around multiple documents, the package must be consistent. If plan sponsors are not careless it is more likely that courts will find, as the court did in the Salazar case, that insignificant differences between documents won't stop a plan from recovering benefits paid.

Adam V. Russo, Esquire is co-founder of the The Phia Group LLC., a claims recovery subrogation company, based in Braintree, MA. Mr. Russo can be contacted at arusso@phiagroup.com or 781-535-5678.

The contents of this document are not deemed to be legal advice. Specific facts and circumstances should be reviewed and analyzed by your in-house legal counsel, as well as any individual self-funded welfare benefit plan and its legal counsel, in light of specific facts, circumstances, SPDs, subrogation, reimbursement and/or set-off provisions and specific state and federal laws and regulations.

NewsByte

The producers of The Economic Report announced that **The Sentinel Group** will be featured in an upcoming episode as part of the show's series on "Protecting Your Corporate Assets." Specializing in healthcare anti-fraud services, the Sentinel Group, located in Lake Forest, IL, employs one of the most experienced teams of fraud investigators, supported by sophisticated, state-of-the-art technology, statistical expertise and years of in-depth intelligence.

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The Phia Group, LLC is pleased to announce a development and marketing agreement with StarLine USA, LLC, to provide subrogation claim identification and recovery services. The Phia Group will offer exclusive recovery services to StarLine's Managed Care clients including up-front claims recovery analysis, client consultations, on-site training, legal services, data integration and system implementation. The collaboration of these two leading companies will ultimately cut costs and provide the best possible pricing to StarLine's clients at all times.

The Phia Group LLC is pleased to announce a development and marketing agreement with Eldorado Computing Inc. to provide its HEALTHpac customers with subrogation investigation and recovery services

Standard Stop-Loss Employer Disclosure Form

As reported in previous issues of HCAA Reports, the Self Insurance Institute of America (SIIA) and the Society of Professional Benefit Administrators (SPBA) met to develop a system to "standardize" the disclosure reporting process, with the objective that all insurers would come to accept the reporting system/form as an industry standard. As a result, they have endorsed a standardized stop-loss disclosure form, which also includes ICD-9 codes. The documents are intended to help facilitate the sharing of health data information between self-insured entities/TPAs and stop-loss insurers/MGUs for the purpose of medical stop-loss underwriting.

HCAA Reports will continue running a recurring notice in each issue of the Stop Loss Carriers and MGUs that have adopted the Standardized Form. If your company has adopted the form, please contact Jaime Nolan at jnolan@hcaa.org

[AIG Medical Excess](#)

[Azeros Healthcare](#) (MGU) on behalf of [London Life Reinsurance Company](#)

[BP Inc.](#) (MGU) on behalf of [Combined Insurance Company of America](#), and [Combined Insurance Company of New York](#)

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[HCC Life](#)

[HMA MGU, LLC](#) (MGU)

[Medical Risk Managers](#) (MGU)

[Mid Atlantic Underwriters, Inc.](#), (MGU) on behalf of [ACE American Insurance Company](#)

[National Benefit Resources](#) (MGU) on behalf of [UnitedHealth Group](#)

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[R. E. Moulton, Inc. / American United Life Insurance Company \(OneAmerica Companies\)](#)

[Spectrum Underwriters](#) (MGU)

[RMTS, LLC](#) (MGU) on behalf of their carriers [Nationwide Life Insurance Company](#), [Gerber Life Insurance Company](#), and [Trustmark Insurance Company](#) (as filed)

[Stop Loss Concepts, Inc.](#), (MGU) on behalf of their carriers, [Gerber Life Insurance Company](#) and [QBE Insurance Company](#)

[Swiss Re Commercial Insurance](#)

[Zurich North America](#)

Welcome New Members!

Ken Meyer, V.P. Sales/Marketing
The SandsTech Group
55 South Vail Ave #1108
Arlington Heights, IL 60005
PH: 513-504-4333
FX: 513-326-0487
kingern@sbcglobal.net
Type: Other-Integrated ASP

Kris K. Virgin, Director of Licensing & Regulation
Core V Solutions
PO Box 2568
Frisco, TX 75034
PH: 469-252-5830
FX: 877-335-7811
krisv@careington.com
Type: TPA

Jim Langenwaller, Chief Marketing Officer
RolloverSystems, Inc.
4135 South Stream Blvd., Suite 500
Charlotte, NC 28217-4583
PH: 704-295-1235
jlangenwaller@rolloversystems.com
Type: Other: Rollover Service Provider

Jamie Roberts, Regional Sales Manager

[Mutual of Omaha](#)

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Alliance Underwriters

1525 Windward Lane
Wylie, TX 75098
PH: 800-272-1340 x121
FX: 407-562-0044
jamie.roberts@allianceu.com
Type: MGU

Cindy Machowski, VP of Business Development

DataMetrix
845 East 4800 South, Suite 250
Salt Lake City, UT 84107
PH: 801.268.1001
FX: 801.268.9944
roxanne.skinner@data-metrix.com
Type: Medical Management

Lance Oliver, Partner
Lawrence & Russell, LLP
5178 Wheelis Drive
Memphis, TN 38117
PH: 901.844.4431
FX: 901.844.4435
lanceo@lawrencerussell.com
www.lawrencerussell.com
Type: Legal

Chris Ralston, Sales Manager
National CooperativeRx
195 East Badger Road
Madison, WI 53713-2708
PH: 608.204.9479 X223
FX: 608.204.9480
cralston@wisconsinrx.com
www.nationalcooperativerx.com
Type: Other: Not for profit PBM coalition

For information about membership, call 888-637-1605 or email HCAAinfo@HCAA.org

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