

Auditing Claims to Manage Costs

What We Do, and How You Can Help

How PacificSource Monitors Claims on Your Behalf

Most of the time, healthcare services are billed accurately and appropriately. But clerical errors occur from time to time and, while rare, fraudulent claims are sometimes filed. These issues can affect your out-of-pocket costs for care, such as copayments, deductibles, and coinsurance. They also contribute to the claims cost PacificSource pays on your behalf, which in turn drives up insurance premiums for everyone.

Our people and computer systems review claims to ensure that you receive appropriate treatments and that services are billed consistently and accurately. Most billing errors are simple human errors—accidents that result from inattention to details. Because these details may affect the cost of a claim or a decision on coverage, we have several resources to catch these mistakes before a claim is paid.

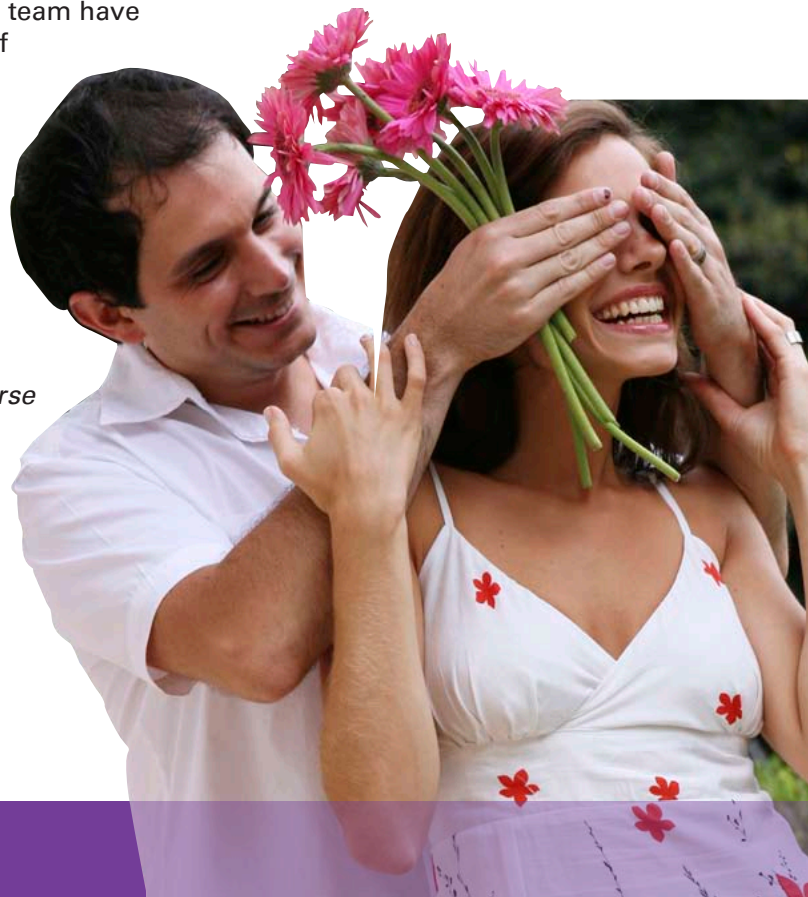
As your claim comes to us from your healthcare provider, either electronically or on paper, it is

reviewed in our computer system. Our system checks to make sure you were insured by us on the date of service. It also verifies that the healthcare provider is eligible for reimbursement, and that the services received are covered under your benefit plan. Once those items are verified, the system checks for duplicate charges, claims coding errors, and services that require preauthorization before coverage. If those situations apply, the claim is routed to a Claims Analyst for personal review.

We have a dedicated claims Quality Audit and Research Team to monitor areas with a greater potential for error, including certain medical procedures, equipment, and high-cost services. This team reviews all high-dollar claims. Employees on this team have the highest level of claims processing experience and work closely with our medical management staff and hospital claims specialists.

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We also have a group of employees who serve as our Special Investigations Team to research and monitor healthcare providers who may be abusing the system. While fraud occurs infrequently, it can be costly and difficult to detect. Members of our investigations team collaborate with other insurers and law enforcement agencies to uncover and combat fraudulent claims.

What You Can Do: Review Your EOB

You receive an EOB (Explanation of Benefits) statement from PacificSource each time a claim is submitted to us on your behalf. The EOB is not a bill; rather, it's confirmation of claims we've received and a statement of how your healthcare expenses will be reimbursed.

It's a great idea to review the following information on each EOB:

- Make sure you haven't been charged for a service you didn't actually receive, or services that were already billed and paid. Check for duplicate charges for the same service.
- Make sure the date of service and patient name are correct.
- Review the Billed Amount field. Is the amount what you expected, based on similar services you've received in the past or on what your provider told you the cost might be?

- If you have a bill or account statement from your provider, compare the charges on it to the billed charges on your EOB and note any discrepancies.
- On prescription drug claims, make sure you were billed for the correct medication. If you received generic drugs, check that you weren't accidentally billed for a brand name, which is often significantly more expensive. And there should never be a charge for manufacturer's sample medications given to you in your healthcare provider's office.
- The Provider Writeoff field on your EOB shows the amount your healthcare provider has agreed to write off as a discount through his or her contract with PacificSource. If your provider is part of our participating network, you should never be billed for this amount.

If you have questions regarding your EOB, feel free to call our Customer Service Department. Sometimes your questions help us find errors that we can correct. Our Representatives are happy to walk you through the EOB and answer any questions you might have. If you suspect a billing discrepancy and are uncomfortable speaking with your healthcare provider about it, just give us a call. We will speak directly with your provider about the charges in question and help sort things out.

Protect Your Healthcare Information

- Keep your PacificSource ID number confidential. Only your provider and PacificSource should have this information.
- Never loan your insurance card to someone else.
- If your wallet is stolen, be sure to report your missing insurance card to PacificSource as soon as possible. We'll send you a new card and watch for any fraudulent claims that may be submitted.

If you have questions, you are welcome to contact our Customer Service Department at 888.977.9299 or e-mail cs@pacificsource.com.



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