



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll stuffer.

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Use Pre-Determinations to Avoid Surprises Get approval before expensive health and dental services

Pre-determinations

By submitting a pre-determination to your insurer before undergoing expensive health or dental services, you can find out exactly what your benefit plan will cover. You will also see what portion of the cost you will have to pay for on your own. Getting a pre-determination will help you to avoid expensive surprises.

The pre-determination process

Insurance companies consider two main things when they review pre-determination requests.

First, they review whether the proposed service is a benefit under the extended health care (EHC) or dental contract. Within that contract, they are obligated to pay for the most cost-effective procedures or equipment. For EHC plans, the contract specifies that they will pay for **reasonable and customary costs**. One example is how they handle diabetic monitoring and insulin delivery equipment. There are fairly elaborate machines for these purposes, but some benefit plans either limit, or do not cover, the reimbursement when a simple blood testing kit and syringe may be sufficient for the same purpose.

The second consideration is whether the procedure or equipment is **medically** or **dentally necessary**. The onus is on the health care provider or dentist to prove that it is, and they may have to submit X-rays or letters to support the treatment plan.

Health procedures

Some other common examples of EHC services that are reviewed under the reasonable and customary clause include **CPAP machines** (for sleep apnea) and **wheelchairs**, where there is a wide range of available models. **Orthotics** and **orthopaedic shoes** are also a type of claim that

is wise to have approved before purchasing, as the cost of these can also vary dramatically. There are specific criteria that must be met for all of these, so it's best to know which are covered before you decide to make a purchase.

If your physician prescribes expensive **prescription drugs**, insurers may require special authorization. Call us and confirm if it is required.

As medical equipment can be very costly, you should also submit a pre-determination for large health claims. The insurer reserves the right to decide to pay for either the rental or purchase of medical equipment. Further, there may be alternative products available at a lower cost.

Dental procedures

Whenever your dentist suggests a costly procedure, check with the insurer first to find out if the expense is covered by your dental plan.

Some procedures that should be pre-authorized include **implants, inlays** and **onlays**. Your dentist will submit a form outlining the proposed treatment to the insurer for approval. If the treatment plan includes restorative work, the dentist should include X-rays and supporting information. The insurer's Dental Review Committee will assess the proposal and advise the dentist if the suggested treatment meets the criteria of the benefit coverage, and how much they will pay. If the insurer thinks that there is a less expensive way of performing the proposed work, they will suggest an alternative treatment plan. You can view this response as a second opinion.

We can help

If you are unsure whether you need to have a pre-determination for a health or dental service, or if you are unsure how to proceed with one, contact our office and we will guide you through the process.