



## MACOMB

1000 Harrington St  
Mount Clemens, MI 48043

January 1, 2018

Dear Patient,

Thank you for choosing McLaren for your health care needs. We value the trust that you place in our hospitals, physicians, nurses and clinics.

This notice is intended to inform you of some important changes we have made recently in the way we bill our patients and third party payors including insurance companies, Medicare, Medicaid and other governmental programs. These changes are similar to those being made at hospitals and physician practices across the country.

### **Hospital-based physician practices and Provider-based Billing**

McLaren is taking a more active role in the care delivered in physician offices owned by McLaren where most of our patients' day-to-day medical needs are met. As a result, McLaren converted many of its physician clinics to hospital-based outpatient clinics. Hospital-based outpatient clinics help increase collaboration between hospitals and physicians by emphasizing better coordination and communication between physician offices and the hospital, focusing attention to quality and clinical outcomes.

Physicians now have access to all your hospital and McLaren physician office medical records to better coordinate your care. Hospital-based outpatient clinics must meet the same stringent level of inspections, regulations and accreditation standards as those of our full service hospitals. These requirements require additional resources. To partially cover the increased costs, Medicare and Medicaid allow the hospital to bill as a "hospital outpatient". This is known as "**provider-based billing**".

If you rely on Medicare, Medicaid or other form of governmental health insurance, these changes will mean that **you will receive two bills covering the care that you received:**

- One for hospital-based services such as x-rays, laboratory work, procedures, supplies, and work of the medical assistant and other office staff (sometimes referred to as a "facility fee")
- The other for care delivered by the physician, physician assistant, or nurse practitioner. These statements will show any amount owed for the visit, as determined by your insurance plan's specific benefits.

Hospital-based clinic billing does not affect patients with commercial health insurance plans - only affects those patients with Medicare, Medicaid, or other governmental plans.

As your health care provider, McLaren is committed to offering you the best care possible. We are also committed to helping you understand our financial and billing policies, so if you have questions regarding these billing policy changes, please feel free to call us at 586 741-4220.

## Common Questions and Answers

### ***What is provider- based billing (PBB)?***

PBB refers to the billing process for services rendered in a hospital outpatient clinic or department. This is the national model of practice for integrated delivery systems where the hospital operates the service and employees support personnel involved in patient care.

This benefits patients as all departments of the hospital are subject to strict quality standards and are monitored by CMS (The Centers for Medicare and Medicaid Services).

### ***Will there be a change in how patients receive care?***

No. Patients will continue to receive excellent quality care with their physician and scheduling appointments and tests will be handled as they always have been in the past. However, there is a change in how McLaren will bill insurance carriers for these services.

### ***Is the patient being double-billed?***

No. There are two claims submitted to the insurance company for PBB patients; one being for hospital-based services such as x-rays, laboratory work, procedures, supplies, and work of the medical assistant and other office staff (sometimes referred to as a “facility fee”); and the other for physician services care delivered by the physician, physician assistant, or nurse practitioner. However, in total, the charge would be the same as for a non-PBB patient receiving the exact same services, but that patient’s insurance would only receive one claim.

### ***Will Medicare patients have to pay more for services?***

The amount a patient is required to pay by their insurance (through a ‘copay’, ‘deductible’, or ‘coinsurance’) is entirely based on the coverage the patient selected through their insurance carrier. What a patient may experience is that they may have a copay, deductible, and/or coinsurance applied by their insurance to both of the claims submitted to their insurance. Patients should review their insurance benefits or contact their insurance provider to determine what their policy will pay and what out-of-pocket expenses they may incur based on the location of the services provided.

### ***Why does the Medicare Secondary Payor (MSP) Questionnaire need to be completed?***

As a participating Medicare provider, McLaren is required to screen Medicare patients according to the Medicare Secondary Payer (MSP) rules. At each visit, business services representative will ask you the MSP questions. These questions will help to confirm if Medicare or another payer should process the claim as primary.

### ***Does this apply if I have private insurance like Blue Cross Blue Shield, United Healthcare, Cigna or Aetna?***

No. Many private insurance companies do not follow the same billing rules required by Medicare, Medicaid and other governmental plans, and therefore, do not recognize hospital-based billing.

### ***What can patients do if they are having difficulty paying for health care services?***

McLaren offers financial assistance options. Detailed information is available online or by calling Patient Financial Representatives at (586)741-4220.

### ***Where can patients call for more information?***

If you have question about these provider-based changes, you may call us (586) 741-4220 between 8 a.m. and 4:15 p.m. Monday through Friday.