

Practitioners Face \$3 Billion Loss to Silent PPOs

HOUSTON, Texas, June 1 (SEND2PRESS NEWSWIRE) – SALUS Medical Solutions of Houston, Texas has developed new software technology that promises to quickly uncover unauthorized discounts, detect Silent PPO activity and spotlight undetected re-pricing methods used by insurance companies and third-party payers. The proprietary software, CLOAK2 (Computerized Logistic and Organizational Algorithmic (K)laims (K)alculator), was developed specifically to recover the lost revenue in the closed files from hospitals, clinics and private practitioners according to SALUS sales manager, Danny Casino.

The American Medical Association estimates that health care providers are losing up to 3 billion dollars each year to the stealthy practice of PPOs. Providers sign agreements with Preferred Provider Organizations (PPO). The PPO steers patients to the provider, and the provider accepts discounted insurance reimbursements. The arrangement worked fine, until the early 1990s when the practice of the 'Silent PPO' was discovered.

When an insurance company that is not a PPO receives a claim, they check to see if the practitioner has any PPO agreements. If they do, the insurance company pays the discounted rate, and claims they are 'affiliated' with the providers PPO. But usually they are not, and they pocket the difference between the discounted rate and the amount that should have been paid. Sometimes, even worker's comp and auto insurance companies quietly take these unauthorized discounts. This adjusted rate costs doctors and hospitals millions of dollars in lost revenue each year.

Few health care providers have the time technology or training to check each insurance reimbursement to see if an unauthorized discount was taken, so the practice of silent PPO has thrived. During these difficult economic hardships insurance companies and third-party payers have been greatly affected, therefore they are utilizing Silent PPO discounts as well as other tactics, such as underpaying managed care contractual rates, to increase their bottom line.

SALUS Medical Solutions is one of a handful of companies working to recover this lost revenue. "We audit the doctor's contracts and review their reimbursements for improper discounts. When confronted, payers are usually quick to pay up. The providers receive their payments directly, within 35-45 days," Casino said.

According to Casino, his service is risk free – revenue recovery companies charge a percentage of the monies recovered. SALUS sends a representative to the practice to prepare files for analysis (recovery can go back 3 years) and then is an ongoing process to make sure the provider is paid properly. "We make it as easy as possible to assist our clients. That's why the offices we deal with see our service as a secondary security measure," says Casino.

Although some states are in the process of passing bills to outlaw the practice of Silent PPOs, only North Carolina has a law in place. Practitioners need to pay close attention to their reimbursements or hire a firm that deals directly with fraudulent discounts which can hurt both the patient and the provider. Patients think they are paying high premiums for top quality care but are being ripped off by the insurance companies who only pay discounted rates. And doctors are losing income which in turn raises the cost of health care. The only winners are the Silent PPOs.

More information: www.salusmedicalsolutions.com.

News issued by: SALUS Medical Solutions



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Original Story ID: (5034) :: 2009-06-0601-005

Original Keywords: SALUS Medical Solutions, CLOAK2 software, Danny Casino, Silent PPOs, recover the lost revenue in the closed files from hospitals, clinics and private practitioners, re-pricing methods used by insurance companies and third-party payers
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