Why are my patients being denied disability?

Your patient has been denied disability. They are on the phone telling you or your staff that either your medical records department or DataFile Technologies never sent their medical records to the disability insurance company. We have often found there is a miscommunication regarding who is responsible for payment, causing the necessary records to not be released. In the following FAQ, we will explore the intricacies of patient responsibility as it relates to disability claims.

Government disability and worker’s compensation entities are very different than private disability or worker’s compensation insurers. For the sake of this document, we are speaking specifically in regards to the private insurance companies which offer short/long term disability plans to patients, or underwriters of worker’s compensation plans for corporations. These plans are meant to supplement government funded disability or worker’s compensation and serve a very valid and valuable purpose to millions of people across the United States. For the sake of clarity, we will focus on a disability claim, though the issues discussed also apply to situations related to worker’s compensation claims.

What is Happening?

A customer of a private disability insurance company is injured and unable to work. The patient (customer) then submits a claim to their insurance company seeking disability payments. If the insurance company requires medical records for processing the claim, they will send a request to the healthcare organization, in this case a client of DataFile Technologies, seeking the appropriate medical records or information. The information being sought can be anything from disability forms to standard medical records. In some circumstances, the requester will fail to either recognize or communicate which type of documentation they are needing – leading to a possibly chaotic situation. When a compliant request is received, DataFile Technologies will execute our workflow to retrieve the record and will send a bill (in accordance with state guidelines) to cover the cost incurred.
Reading the Fine Print

The next step in the process is often where communication breaks down. People, in this case patients, sometimes do not read the fine print. Here it relates to a situation which is known in the Release of Information industry as “patient responsibility”. When an individual signs up with nearly any private disability insurance company, they sign a policy which states something along the lines of, “insured individual is responsible for covering all applicable costs for the retrieval of medical records for the processing of a disability claim”. The exact verbiage of this clause may vary, but the general idea is standard across the industry.

Ideally, the situation illustrated above would consistently include an arrow from the private disability company to the patient. This arrow would represent the communication of patient responsibility for covering the cost of the retrieved medical records. However, like other situations in this industry, the standard practice is split between the following two options described below.

The First Option

In the first situation, the aforementioned communication from the disability insurance company to the patient is present. In some cases the insurance company pays DataFile Technologies for the medical records, then the insurance company pursues the cost of payment from the patient on their own time, or they forward the invoice to the patient with educational material covering why a bill has been incurred. All of this happens before any claim is processed. Additionally, as a best practice all invoices sent by DataFile Technologies to disability insurance companies in this situation include the following language:

“If the patient is responsible to cover the cost for this copy of the medical record to be distributed to you, forward this invoice to your client and invite them to visit our website to make the payment securely.”

However, this option is not always a positive one. If the insurance company does forward the invoice, but still receives no payment from the patient for the retrieval of the medical records, then the claim may be denied on that basis alone. If this is the case, then DataFile Technologies, or your practice, is put in the position of trusting the insurance company to communicate effectively that this was the cause of their denial.
An important note here, insurance companies are not necessarily motivated to pursue collection efforts for the retrieval fee to be paid by patients. Therefore, if the claim is denied due to lack of payment, your practice is frequently made out to be the scapegoat. The only one who suffers in this situation is the patient.

**The Second Option**

This scenario is most likely to result in an upset patient reaching out to a healthcare organization. In this scenario, the arrow representing communication from the private disability company to the patient is never there. The insurance company receives an invoice from DataFile Technologies for the records *which they have requested* and replies with a very succinct letter expressing that the patient is responsible for paying for the records. Examples of these letters include the following:

“**We have received the enclosed correspondence [invoice] and are returning it for the following reasons: All payments are the Responsibility of the Patient**”

“**Please be advised that the enclosed medical bill [...] will not be paid under the Disability Plan. This plan does not provide coverage for medical bills or medical record copy fees. Any such bills should be sent to the patient for consideration**”

At this point, the patient is not aware that their claims are not being processed, they have no way of knowing that there are charges pending for the retrieval of their required records. The patient is a customer of the disability insurance provider, therefore standard customer service logic would dictate that it is the responsibility of the insurance company to provide updates and needed information to the patient. By corresponding only with DataFile Technologies, the insurance company is attempting to shift the onus for collection away from themselves while simultaneously inhibiting a claims process which might result in claims payment. Once the time frame for approval passes and the patient is subsequently denied their disability, the insurance companies communicate to the patient that they never received the medical records needed from either the healthcare organization or DataFile Technologies. This is what results in an angry patient telling a healthcare organization that they (DataFile Technologies) are responsible for a denied disability claim.

While this situation is not rampant in the industry the scenario occurs with great enough frequency to create customer service issues for DataFile Technologies and healthcare organizations around the country. It is the responsibility of disability insurance companies to share the necessary information and processes with their claimants. We do not believe that it is your (or our) responsibility to organize the communication among patients and their private insurance carrier. It is not that we are unwilling. There is a cost associated with this type of concierge service and most state fee structures for copies of medical records will not accommodate this.
Communication is the Key

It is important that the team members at a healthcare organization understand the actions which ultimately may have resulted in a patient being denied their disability or worker’s compensations claim. If the patient had examined their disability insurance policy close enough, been properly educated by the insurance company, or managed their claim more effectively, then the issue could have been avoided. The ultimate point for consideration is whether a healthcare organization or their partner (i.e. DataFile Technologies) has the capacity to manage the disability claim experience.

Clients of DataFile Technologies have the option to expand our traditional Release of Information services to include facilitating applicable patient payments for records related to private disability insurance companies. If an organization is not currently outsourcing this type of workflow, then an option would be to educate staff on how to more thoroughly communicate with patients who may be seeking disability payments. Leaders of these organizations need to ask themselves if they are obligated and possess the ability to manage issues not currently being addressed by many private insurers.

DataFile Technologies is committed to your patient’s satisfaction. We encourage our clients to give us a call if they have any concerns regarding a patient being denied disability. By taking the time to speak over the phone with our clients, we can work together to determine what caused the patient’s dissatisfaction. If the denial is a result of a workflow lapse or oversight on DataFile Technologies part, then we will work diligently to rectify the situation.

Questions? Email info@DataFileTechnologies.com or call 816-437-9134