

Insurance and payment expectations

[Experience](#)



HEALTHCARE PAYMENT EXPECTATIONS Unit 1 Individual Project Tina Nguyen
HLTH420 – Healthcare Finance November 7, 2012 Abstract This research paper will explain the payment expectations of government, commercial, and liability insurances, as well as self-pay/cash pay patients. An in depth explanation of how they differ, such as rules, will be made. This report will help readers understand the different types of programs in bill collecting, and account and project financial expectations. Healthcare Payment Expectations Payment expectations are the reimbursement of the services given to patients.

There are many alternatives to how healthcare organizations collect their payments or revenues. They can be handled through cash transactions or through various types of insurances, such as government-assisted, commercial, and liability insurances. Some of the health insurances that are government-assisted are Medicare, CHIP, and Medicaid. Government-assisted insurances, such as Medicare and Medicaid, are provided for low income families and adults over the age of 65 or even those under 65 that has certain disabilities (USA. gov, 2012).

Medicaid's health coverage will vary by states, as they will set their own rules and guidelines. In order to be granted for these government health insurances, an individual must meet certain criteria to be eligible, depending on which program it is catered for (New Horizons Un-Limited Inc. , 2011). Payment expectations of government-assisted health insurances, such as Medicaid, are reimbursed through co-pays, and premiums (" Medicaid Payment Expectations, " n. d.). As mentioned before, payment expectations will vary by state but should not be much different.

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Co-pays are the rate at how much is to be paid for the services or a prescription a patient will be receiving (“ Medicaid Payment Expectations,” n. d.). Co-pay rates are rates that are agreed upon by the Medicaid program and type an individual has. Premiums are out of pocket expenses that need to be paid by the individual to maintain and retain medical benefits (“ Medicaid Payment Expectations,” n. d.). Premiums are a monthly expense and it also depends on each individual and will vary by state.

If premiums are not paid in a timely manner, that can be considered as a non-payment and there may be a possibility that an individual may lose their insurance coverage. If that was to occur, the individual would need to reapply. Commercial health insurances are health insurances that cover medical and health expenses for those that are already insured. For example, since commercial health insurances is for profit and is not offered through a government entity, these health insurances are usually offered through group insurances (“ What Is Commercial Health,” n. .). In many instances, commercial health insurances will be offered through the individual’s employer. Typically, these insurances will have a monthly or even a bi-weekly premium that will be deducted from an employee’s paycheck. Depending on how the commercial health insurance is planned, employees will usually see a payment of the entire monthly premium or a percentage of it in their paycheck. Liability insurance is also known as medical malpractice insurance.

Liability health insurance helps protect the insurer from lawsuits and mistakes that can or will arise from the workplace. Liability insurance can be purchased through many types of companies, such as insured insurance

companies, risk purchasing and risk retention groups, and etc (Texas Department of Insurance, 2012). Payment expectations are that liability insurance information must be provided at the time of registration in order for a claim to be filed.

Depending on the responsible party of paying that claim, it can either be the insured or the insurance company; it varies with each plan per individual. Self-pay or cash pay patients are usually those patients that does not have medical insurance or those who just prefer not dealing with the hassles of Medicare or insurance reimbursement or claims, will pay an out of pocket expense for the medical services they seek and get. Medical doctors and clinicians view these patients as more compliant and motivated to doctor's orders (Carter, 2011).

Without any insurance help, self-pay patients would usually get a discount percentage due to the high cost of medical services. Self-pay or cash patients will have to pay the full amount or partial before or after the service, and if a balance remains would need to pay in the next couple of months depending on the payment plan. All of these components of payment expectations of different insurances would need to familiarize with by medical business professionals in order for efficient billing, collecting, accounting, and the projection of financial expectations to occur.

All health insurances, it doesn't matter what type of insurance, has to follow basic standards of regulations of the service and product, but each state and health facility has its own discretion in how to price their services and also deciding how much a patient is responsible for their balance. There is much that needs to be considered if the payer mix is the basic determinant of the <https://assignbuster.com/insurance-and-payment-expectations/>

healthcare organization's financial projections. Payer mix is a medical term of the percentage of revenues that comes into the organizations is from private to government insurances to self-pay patients (Wall, 2010).

Unfortunately, revenues from government insurances, such as Medicare and Medicaid, are considered losses to healthcare organizations due to these government insurances pay less to hospitals and healthcare organizations than what they charge patients for services. Through this knowledge, healthcare organizations need to be aware of areas like this in order to compensate for what is lacking. | References Carter, J. (2011, November 7). How Self-Pay Patients Have Made Me a More Effective Clinician. Retrieved from