



10^{1/2} Facts about your auto insurance PPO option

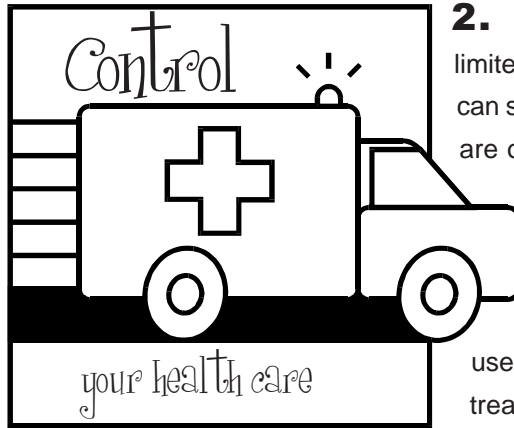
Could it be possible that your auto insurance company medical coverage may allow you to see only certain doctors under very specific rules made by your auto insurance carrier? You may be unaware that you've signed an agreement with your auto insurance company to be part of a Preferred Provider Organization, known as a PPO or managed care organization. These arrangements are offered by insurance companies as "cost

containment" features designed to lower your insurance premiums. You may save a few bucks but you are giving up much of your control over the health care you may need if you are injured in a car accident. PPOs and managed care organizations ARE NOT subject to many of the laws established to protect patients. Unfortunately, there are many facts that insurance companies fail to disclose to injured people until AFTER an accident, when it's too late. **Here's what**

you should know:

1. The amount of money that a consumer saves by signing up for the PPO is only a small percentage of the total amount of the six month premium. The discount is calculated only on the no-fault portion of the premium, which is

typically between \$12 to \$25 every six months. Generally, this is not fully or adequately disclosed to the consumer and many people do not even realize they have a PPO endorsement on their policies until it is too late.



2. Accident victims will be limited as to which doctors they can see. Only those doctors who are on the insurance company's pre-approved and limited list are authorized to treat PPO participants. If the consumer decides not to use the PPO network and seeks treatment from a doctor who is not on the list, the consumer is

usually severely penalized by having to pay a large deductible. For example, up to a \$3,000 deductible is charged on most State Farm policies.

3. Doctors on the insurance company's list are carefully monitored concerning the number of visits, duration, and charges for the visits. If another patient's treatment exceeds the "norm" as established by a "case average," then other injured patients may receive less care than they actually need so that the

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doctor can meet the expected "case average" goal. These "case average" goals are constantly monitored by the insurance companies and are used to control and restrict the amount of treatments patients can receive. If a doctor does not meet the "case average" goals over a certain period of time, the doctor may be removed from the pre-approved list. This can severely impact that doctor's patient base and income.

4. Pre-approval barriers are often put in place that delay treatment for accident victims. Significantly more paperwork and delays may result when separate pre-approval organizations obtain records, review reports, and make decisions regarding each bill submitted.

5. If the consumer disagrees with the denial of a claim and the treating doctor's appeal has been denied, the consumer, not the insurance company, will have to pay for and submit to an Independent Medical Examination (IME). These exams may cost between \$400 to \$600 each. Even if the IME report concludes that the treatment is reasonable, necessary, and related to the accident, the consumer pays for the IME, not the insurance company.

6. Without the PPO endorsement, the burden shifts to the insurance company who would then be required to request and pay for and IME if there is a dispute of the treatment being provided.

7. Because of the savings to the insurance company and their ability to direct the health care and rehabilitation with the use of PPOs, several insurance carriers are

incorrectly informing certain victims after an accident that the PPO option applies, when in fact it does not. This includes situations such as accidents involving passengers and pedestrians.

8. If you are injured in an auto accident and the insurance company indicates that PPO limitations apply, request a copy of the document signed by the policy holder that authorizes the PPO provision. If a carrier can not provide this form, the insurance company cannot apply the PPO provision to the claims.

9. There is no requirement that a consumer must sign up for the PPO option as a condition of insurance.

10. Call your insurance agent TODAY and find out if you have the PPO option on your auto insurance policy. If you revoke the PPO option, there will be an adjustment in your premium. Compare the premium savings to the control you'd prefer as a patient and make an informed decision.

10^{1/2}. If you wish to remove the PPO option from your auto insurance policy, send a letter to your insurance agent, via certified mail with return receipt requested, and ask that the PPO option be removed from your policy.

Thank you to attorney Todd Travis for providing this information. He can be reached at (303) 766-8766.

Dateline NBC Finds State Farm Review Procedures Questionable

What can go on behind-the-scenes when an insurance company decides to challenge a medical claim after an automobile accident? Dateline NBC correspondent, John Larson, embarked on a 15-month-long investigation centered on State Farm, the nation's largest insurance company. They interviewed more than 250 people, reviewed more than 70,000 pages of documents, and examined two "paper review" companies State Farm does business with. Dateline NBC found a disturbing pattern in how some medical claims were handled. The show aired on June 23, 2000. For more on this report, visit **www.msnbc.com and look for "The Paper Chase" report.**

In Colorado, "paper reviews" are closely monitored by the Colorado Division of Insurance.

If you suspect your insurance company has used ANY review procedure unfairly or incorrectly, you should file a written complaint with:

The Colorado Division of Insurance

1560 Broadway Suite 850

Denver, CO 80203

(303) 894-7499 or (800) 930-3745