



BMC **FirstChoice** *Victory Series*

Claims Example

My name is Mike Benke and I am the owner of BMC Agency, Inc.

I created the *FirstChoice* product line with the fine folks at ManhattanLife Assurance company.



For this presentation, I needed a client with a recent and appropriate hospital claim.

After careful consideration, I chose...

ME!

For the purposes of this presentation, I am simply a guy with a popular BCBS health plan who found himself needing to use it.

Some of the questions to be answered are:

- * What procedures were performed?
- * What did **BCBS** pay towards the claim?
- * What would the **FCSS Deluxe** and **Bridge** plans have paid?
- * What are the comparable premiums and exposures?



* My primary coverage in 2017 was a BCBS BlueEssentials (Silver) plan. The premium cost for me and my wife was \$1,733.64 per month.
\$20,803.68 Annual!

My portion was \$779.85 / mo.

* The plan featured a deductible of \$5,700 and an OOP of \$6,700 X 2 per family!

THE CLAIM!

On September 3, 2017, I was removing a cedar tree from my front yard.



Sometime during this project, I was bitten by a nasty little booger known as a Brown Recluse Spider.

After several days of unsuccessful antibiotics, it was off to the hospital, where I was admitted on 9/12/17.



During my subsequent confinement, I received:

- * 8 days of Room and Board
- * Respiratory therapy
- * 21 bags of IV antibiotics
- * 49 Laboratory tests
- * 2 Pathology lab tests
- * 1 Peripheral vascular exam
- * 3 Diagnostic radiology tests
- * 268 separate prescription medicine doses (pills)
- * 1 Ultrasound test
- * 1 MRI
- * 8 periods of physical therapy
- * Surgical Amputation on Right foot
- * Anesthesia
- * Operating Room



Here are screen shot excerpts from the actual UB04 Hospital Bill

Submitted Hospital charges were:

\$43,833.42!

1 ROPER HOSPITAL		2 ROPER HOSPITAL		3a PAT CONT #		A1725500815		4 TYPE OF BILL	
316 CALHOUN ST		P.O. BOX 751682		EXEMPT REC #		000553145		0111	
CHARLESTON SC 29401-1125		CHARLOTTE NC 28275		5 FED. TAX NO.		6 STATEMENT COVERS PERIOD FROM		7 THROUGH	
8434025200				570828733		091217		092017	
8 PATIENT NAME a			9 PATIENT ADDRESS b						
BENKE, MICHAEL OWEN			LANTANA DR						
b CHARLESTON			c SC		d 29407-				
10 BIRTHDATE		11 SEX		12 DATE		13		14	
02131956		M		091217		13		06	
31 OCCURRENCE CODE		32 OCCURRENCE DATE		33 OCCURRENCE CODE		34 OCCURRENCE DATE		35 OCCURRENCE SPAN FROM	
11		091217							
38 BENKE, MICHAEL, OWEN			39 VALUE CODES		40 VALUE CODES		41 VALUE CODES		
LANTANA DR			a 02		80		81		
CHARLESTON SC 29407			b 82		83				

42 REV CD	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48
1	0110 R AND B PRIVATE MED GENE	1500.00		8	1200000	
2	0250 PHARMACY			268	390550	
3	0254 DRUGS INCIDENT TO OTHER			1	3600	
4	0258 PHARMACY IV SOLUTIONS			21	106790	
5	0300 LABORATORY			49	932100	
6	0310 PATHOLOGY LAB			2	32100	
7	0320 DIAGNOSTIC RADIOLOGY			3	114800	
8	0360 OR SERVICES			3	653500	
9	0402 ULTRASOUND			1	79500	
10	0410 RESPIRATORY THERAPY			1	69000	
11	0420 PHYSICAL THERAPY			8	69602	
12	0424 EVALUATION OR REEVALUATI			1	20700	
13	0610 MRI			1	378400	
14	0710 RECOVERY ROOM			1	190700	
15	0921 PERIPHERAL VASCULAR LAB			1	142000	
16						
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	PAGE 1 OF 1		CREATION DATE 092517	TOTALS	4383342	



In addition to the UB04 from the hospital...




The surgeon
charged \$1,100



And the Anesthesiologist
charged \$1,000.

That brought the total billed charges for the hospital
stay and related fees to **\$45,933.42**

Individual Claim Report: EXPLANATION OF BENEFITS
Plan Holder: MICHAEL O BENKE (ID # ZCU575194593321)


 South Carolina
Blue Cross Blue Shield of South Carolina
is an Equal Opportunity Employer of All
Blue Cross and Blue Shield Associates

MEDICAL CLAIMS for patient **MICHAEL O BENKE** THIS IS NOT A BILL

Provider and Service Information		Charges and Insurance Payments			Breakdown of Member Responsibility				
Claim Number	Service Type	Provider Charges	Covered Expense	Your Plan Paid	Copay	Deductible	Coinsurance	Not Covered	Amount You May Owe or Have Paid
7292045240000 CHARLESTON VASCULAR S	INPT SURGERY 09/14/2017 RICK MICHEL ROBERTS In-Network	1,100.00	417.49	417.49	0.00	0.00	0.00	0.00	0.00
Statement Period Total		1,100.00	417.49	417.49	0.00	0.00	0.00	0.00	0.00


The Surgeon's bill was PPO repriced to **\$417.49** (PPO savings over 62%!) 

Individual Claim Report: EXPLANATION OF BENEFITS
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MEDICAL CLAIMS for patient **MICHAEL O BENKE** THIS IS NOT A BILL

Provider and Service Information		Charges and Insurance Payments			Breakdown of Member Responsibility				
Claim Number	Service Type	Provider Charges	Covered Expense	Your Plan Paid	Copay	Deductible	Coinsurance	Not Covered	Amount You May Owe or Have Paid
7263007P00000 ANESTHESIA ASSOCIATES	INPT ANESTHESIA 09/14/2017 YOUNG CHOI MD In-Network	1,000.00	467.78	0.00	0.00	467.78	0.00	0.00	467.78
Statement Period Total		1,000.00	467.78	0.00	0.00	467.78	0.00	0.00	467.78

The Anesthesiologist's bill was PPO repriced to **\$467.78** (PPO savings over 53%) 

Combined savings through PPO on Surgical and Anesthesia of **\$1,214.73** or almost **58%**

+ **MEDICAL CLAIMS** for patient **MICHAEL O BENKE** continued

THIS IS NOT A BILL

Provider and Service Information		Charges and Insurance Payments			Breakdown of Member Responsibility				
Claim Number	Service Type	Provider Charges	Covered Expense	Your Plan Paid	Copay	Deductible	Coinsurance	Not Covered	Amount You May Owe or Have Paid
7270008R70000	continued								
	INPT SURGERY 09/12/2017-09/20/2017 PAUL EDMUND DONATELLI In-Network	1,420.00	744.08	744.08	0.00	0.00	0.00	0.00	0.00
Statement Period Total		43,833.42	22,968.71	19,839.51	0.00	2,611.77	517.43	0.00	3,129.20

Billed Charges
\$43,833.42

Repriced Charges!
\$22,968.71

*What about the actual
\$43,833.42 hospital Bill?*

The hospital bill was repriced to

\$22,968.71

(a repriced savings of 50.0004%!)

The “Total Cost” of any Health Insurance Program is VERY simple:

1) What was the **PREMIUM** cost to **HAVE** the protection?

2) What was the **Out-Of-Pocket** cost to **USE** the protection?

To be appropriate, you must be able to afford BOTH of these!

Relative “Cost” of **BCBS Silver Plan** to **FirstChoice Deluxe Plan**

Blue Cross Silver

FirstChoice Deluxe

Monthly Premium Cost

\$842.85 / Mo.

* \$270.60 / Mo.

Annual Premium Cost

\$10,108.20 / Yr.

* \$3,247.20 / Yr.

Deductible / OOP

\$5,700 Ded / \$6,700 OOP

Zero!

Bill / PPO Repriced

\$45,933.42 / \$22,968.71

\$45,933.42 / \$22,968.71

Plan Paid

\$16,268.71

\$47,400.00

* This is the premium required for an individual at entry age 60-64. I purchased my FirstChoice policy at age 55. The premium for FirstChoice Deluxe plan at entry age 55 is \$226.30/mo., and it DOES NOT INCREASE when a new age bracket is reached!

Here is what the **FirstChoice Deluxe Plan**
would have paid towards this claim...

Daily Room Benefit - 8 days X \$300 =	\$2,400
Hosp Injury Benefit - 8 days X \$1,000 =	\$8,000
First Hospital Confinement - \$15,000 over 6 days =	\$15,000
Lump Sum benefit- \$3,000 =	\$3,000
Surgical Rider - \$3,000/day X 5 days =	\$15,000
Anesthesia – 20% of Surgical amount paid =	\$3,000
Diagnostic Procedures x 2 = (2 X \$500)	\$1,000

TOTAL = **\$47,400**

What would the **FirstChoice Bridge Plan** have paid towards this claim?

Daily Room Benefit - 8 days X \$50 =	\$400
First Hospital Confinement - \$5,000 over 6 days =	\$5,000
Hospital Injury Benefit - \$5,000 over 6 days =	\$5,000
Daily Surgical Rider - \$1,000/day X 5 days =	\$5,000
Anesthesia – 20% of Surgical amount paid =	\$1,000

TOTAL = **\$16,400**

OK, it appears that the *FirstChoice Deluxe* plan performed very well on this claim, but what would it have done on a **BIGGER** bill?

For the sake of the exercise, let's try to imagine a bill over **TWICE** as large, assume comparable repricing, and see how well the *Deluxe* plan would have performed.

Instead of a \$46,000 bill, let's imagine the bill was \$100,000. To get here, we'll add 5 days of ICU, and envision a much more complex surgical environment.

Comparable PPO repricing (50%) would reduce the bill to \$50,000.

Extra 5 days of Hospital Confinement x \$300/day = \$1,500

5 days of ICU x \$3,000/day = \$15,000,

TOTAL of \$16,500 in additional payments by the Deluxe plan!

\$47,400 + \$16,500 =

\$63,900 with which to pay the \$50,000 bill!

So far, so good. But, what if the bill was \$200,000? To get here, we'll add another week of ICU, some more surgery, a lot more drugs, imaging, and lab tests, and take another look.

Comparable PPO repricing (50%) would reduce the bill to \$100,000.

Extra 7 days of Hospital Confinement x \$300/day = \$2,100
7 days of ICU x \$3,000/day = \$21,000, TOTAL of \$23,100

\$63,900 + \$23,100 =

\$87,000 with which to pay the \$100,000 repriced bill!

**What if PPO repricing was 'only'
35% to 40% instead of 50%?**

Sometimes the discount percentage of a hospital bill with a Limited Benefit PPO Network (*such as the one that FirstChoice uses with MultiPlan*) may be less than 50%.

What would be the realistic impact on these claims at 35% repricing, rather than the 50% which I actually received?

Reality vs Hypotheticals

There are several other factors worthy of consideration in our \$200,000 claim example.

1) : What would the OOP have been with a qualified plan? In our BCBS 'real life' example it would have been greater by \$5,700 Ded, \$6,700 OOP!

2) What would the actual difference in premium have been for the two plans? The **BCBS Silver plan had an annual premium cost of **\$10,108.20**. The **FirstChoice Deluxe** annual premium is **\$3,247.20**, a difference of **\$6,861!****

Reality vs Hypotheticals

1) \$6,700 OOP Guaranteed with the qualified plan!

PLUS

2) The actual difference in premium was **BCBS Silver** plan (\$10,108.20.) minus the **FirstChoice Deluxe** annual premium (\$3,247.20) a difference of \$6,861!

\$6,700 plus \$6,861 = \$13,561

PLUS

Reality vs Hypotheticals

3) All FirstChoice plans, including the Deluxe plan, feature the ‘value added’ benefits of Karis360 ‘patient advocates.’ Karis360 goes to work before, during and after the claim to assist the client with reduced charges for top quality care.

Although the results are never guaranteed, and their service is on a “best efforts’ basis, the likelihood that Karis360 could negotiate additional savings of 10% (\$20,000) or more on a bill this size (\$200,000) would be extremely high.

Reality vs Hypotheticals

4) After being discharged, when I called Roper Hospital to settle my bill, the account rep **VOLUNTEERED** to give me a **15% DISCOUNT** for paying my bill in full at that time, which I was going to do, regardless.

So, what would the 'bottom line' have been under these circumstances?

1) Hospital Bill for **\$200,000**

2) MultiPlan 'repriced' at a conservative **35%** **(\$130,000)**

3) Karis360 (conservative discount) (10% of bill):
(\$13,000) **(\$117,000)**

4) Cash Discount (15% of bill): **(\$18,450)** **(\$98,550)**

5) Premium savings: **\$6,813** **(\$91,737)**

6) FirstChoice Deluxe paid: **\$87,000**

-4,737

This does not consider the additional Out of Pocket savings of (\$6,700) which is a byproduct of not having any deductible or out-of-pocket expense associated with the claim!

$$\text{\$4,737 balance} - \text{\$6,700 (OOP savings)} = \text{\$1,963 to the positive!}$$

QUESTION?

What was the largest claim
that ManhattanLife paid in 2017?

ANSWER:

\$678,000.00!

Other secure alternatives to 'ACA Only' coverage

For some clients, a preferable level of risk might be a combination of **FirstChoice BASIC** or **BRIDGE** with a **Short Term Major Medical** policy!

For those who do not qualify for a premium subsidy, this combination can often deliver a stronger alternative (lower or no OOP costs for most confinements) at a combined premium well below, often half as much, as an ACA 'metal' plan design alone.

Other secure alternatives to 'ACA Only' coverage

Many clients find that a **BASIC** or **BRIDGE** plan design provides an excellent additional level of protection to their **Christian Sharing Ministry** program.

ALL FirstChoice Victory Series plan designs pay in addition to any and all other coverage that a client might have!

RECAP:

For protection against the unknown universe of possibilities, there is no substitute for an ACA qualified major medical plan.

For anyone not blessed with a premium subsidy, these plans can be EXTREMELY expensive.

Those who are unable to afford an ACA plan can still find quality coverage for a fraction of ACA plan premiums, if they know where to look. Thanks to your help...

FirstChoice is a fabulous place to look!

A few important reminders from our legal department:

- * Catastrophic, comprehensive major medical is the deepest, richest coverage for everyone that can afford it.
- * All claims are different, and results will vary.
- * Always seek the advice of a tax professional before playing with spiders. Spiders are NOT your friend. For that matter, neither are tax professionals.
- * For complete details about the incredible **FirstChoice** Series of 'defined benefit' health plans, contact your manager that provided you with this PowerPoint, or call **BMC Agency, Inc.** at **800-357-2342**.