

# SMSO Policy Manual

## SUBROGATION

Executive Sponsor: Stephen Adamson, Chief Operations Officer

Issuing Department: Claims Recovery

Gate Keeper: Terry Snyder, Manager, Claims Adjustment,  
Recovery and Operational Support

### **COMPLIANCE STATEMENT:**

**Enforcement:** All members of the workforce are responsible for compliance with this policy. Failure to abide by the requirements of this policy may result in corrective action, up to and including termination. Workforce members are responsible for reporting any observed violations of this policy.

**Review Schedule:** This policy will be reviewed and updated as necessary and no less than every two years.

**Monitoring and Auditing:** The Issuing/Collaborating Department(s) is responsible for monitoring compliance with this policy.

**Documentation:** Documentation related to this policy must be maintained for a minimum of 10 years.

### **Applies to:**

☒ SummaCare  
☒

☒ Apex

Summa Management Services Organization (SMSO)

☒ Summa Insurance Company

### **Line of Business:**

☒ Commercial Groups  
☒ Medicare Supplemental  
☒ Off-Exchange

☒ Medicare  
☒ On-Exchange  
☒ Self-Funded

**1.0 Purpose:**

- 1.1 To ensure groups are reimbursed for benefits paid out for which another party is liable.

**2.0 Policy:**

- 2.1 Claim files involving third party liability are subrogated following applicable state laws regarding subrogation or ERISA recovery. This provision applies to all plans which contain subrogation provisions. All claims are paid and then referred to a third party for evaluation and potential recovery.

**3.0 Procedure:**

- 3.1 All claims are processed in accordance with provisions of the respective plans and departmental policies and procedures
- 3.2 An electronic transfer of all claims payment information is forwarded to our contracted recovery company for review weekly.
- 3.3 The Recovery Manager will provide an updated group number, name and logo spreadsheet to the vendor as needed. Vendor will pull information by group number only. If a group number is not recognized, letter will not be created. A report of these files will be sent to the Manager, Claims Support for review.
- 3.4 The recovery specialists review the information received and thoroughly investigate all claim files in which they feel a third party may be liable.
- 3.5 If it is determined a third party is liable for the associated medical expenses, the recovery company will file for reimbursement on behalf SummaCare. This process includes attorney involvement when appropriate. Apex reserves the right to involve our own attorney, should it be necessary.
  - 3.5.1 Settlement requests (Projection Detail Report) for SummaCare groups will be sent to the appropriate Sales Representative to present to the client for approval.
  - 3.5.2 Settlement requests (Projection Detail Report) for all Fully Insured and Medicare plans will be sent to Compliance/Legal and Finance for approval.
  - 3.5.3 Requests may be time sensitive, this varies by event.
  - 3.5.4 Once an approval or a denial is received, the decision is returned to the Recovery Manager. The information will be forwarded to the recovery vendor.
- 3.6 The recovery vendor is responsible for providing reports, on a monthly basis. These detail all activity associated with investigations, recovery efforts and monies recovered. The reports are reviewed and monitored by both, Recovery Specialist and the Manager, Claims Support. A random sampling of Discovery letters, which are the initial requests for information regarding

possible subrogation, will be provided to the Manager, Claims Support on a monthly basis for auditing purposes.

- 3.7 Vendor to perform their own internal audit of letters (draft to be provided).
- 3.8 Recovery to provide monthly monitoring results to clients as requested.
- 3.9 The Recovery area will maintain a library of member communications templates and review on an annual basis.
- 3.10 Manager, Claims Support has the authority and responsibility for the activities in this policy or procedure.
- 3.11 The Issuing Dept. is responsible for monitoring/enforcing the compliance with this policy.
  - 3.11.1 Compliance will conduct periodic reviews to monitor and audit compliance with this policy.

#### 4.0 References:

- 4.1 Source of the policy (regulatory citation, accreditation standard, internal standard)
  - 4.1.1 Internal Standard
- 4.2 Are there any references to other documents, regulations, or intranet locations?
  - 4.2.1 None
- 4.3 Are there other policies that work in conjunction with this policy?
  - 4.3.1 None
- 4.4 Replaces (if applicable):
  - 4.4.1 None

#### 5.0 Definitions:

- 5.1 None

#### 6.0 Key Words or Aliases (Optional):

- 6.1 Claims, Recovery

ORIGINAL *EFFECTIVE DATE*: 5/1/1993  
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