

REIMBURSEMENT AND SUBROGATION CLAIMS



Allen is a successful marketing executive. On a Saturday, while running errands, a negligent driver, texting on his phone drove through a red-light and struck Allen. Allen suffered significant physical injuries. The negligent driver had only minimum statutory liability coverage of \$20,000. Allen's medical bills for care exceeded \$150,000. His wife's health plan covered the cost of Allen's healthcare bills.

Fortunately, Allen had short-term-disability insurance coverage and long-term-disability coverage, both from his private sector employer. Allen quickly settled his claim with the negligent driver for \$20,000. Also, Allen recovered \$80,000 from his own under insurance auto policy.

By the time Allen returned to work his short-term-disability plan and long-term-disability had paid Allen \$120,000. Both plans are fully insured. When the disability insurance company and the health insurance company learned that Allen had recovered \$20,000 from the negligent driver and \$80,000 from his own auto under insurance policy, both the health insurance company and the short-term-disability and long-term insurance company demanded that Allen pay to it \$100,000. What was Allen to do? He had spent the funds to cover his day-to-day living expenses which the disability plans did not fully cover. Allen thought his health insurance plan took care of his bills. He believed that he had paid for short-term disability insurance and long-term-disability insurance to protect his family in case of an unexpected loss. Allen never imagined that the health insurance company and the disability insurance company looked to Allen as their collection agent.

Read the Fine Print – Understand the Reimbursement Language



Most health plans provide for a right of reimbursement, requiring a participant to reimburse amounts the plan paid, typically for injury-related medical expenses, from out of the participant's recovery from a third party. So do some long-term-disability insurance plans.

Negotiate with Insurance Companies from a Position of Strength



As an experienced reimbursement and subrogation claims attorney often I am able to negotiate with the insurance company to reduce the amount the insurance company will accept. Sometimes I can negotiate a reduction with collection companies that represent the insurance companies or the plans. Sometimes the only way to reach a compromise is through litigation. However, this is becoming more and more challenging as insurance companies are now dedicating increased attention and resources to subrogation departments. Succeeding in this area requires a detailed understanding of ERISA combined with consideration of state anti-subrogation laws. My focus and experience with these types of cases will assist you and your clients achieve the best outcome. If you feel your client is being treated unfairly by the insurance company I will examine your case and provide you with the advice you need.

Talk with a colleague you can trust. Contact me to assist you in your negotiation strategy at www.erisaattorneys.com, or call at **617-357-9700** or **866-396-9722**.