

Making Sense of Third Party Recovery

Third party recovery refers to claims that are the responsibility of someone other than PacificSource.

Are you confused by a Medical Service Questionnaire? Do you have questions about what your health plan covers in relation to your other insurance policies? If so, please read on.

Questions and Answers

Why should I be concerned about third party recovery?

Identifying the responsible party helps PacificSource ensure that you get the most from your insurance coverage. Our goal is to identify which insurance carrier has primary responsibility in a situation, and then be sure the appropriate carrier pays its share of the medical costs.

For example, your auto insurance has primary responsibility for costs related to auto accidents, and your health insurance policy has primary responsibility for your healthcare expenses. If you are in an auto accident or fall at your neighbor's house, it makes sense that your auto insurance or your neighbor's homeowners insurance should step in first to cover your related medical expenses.

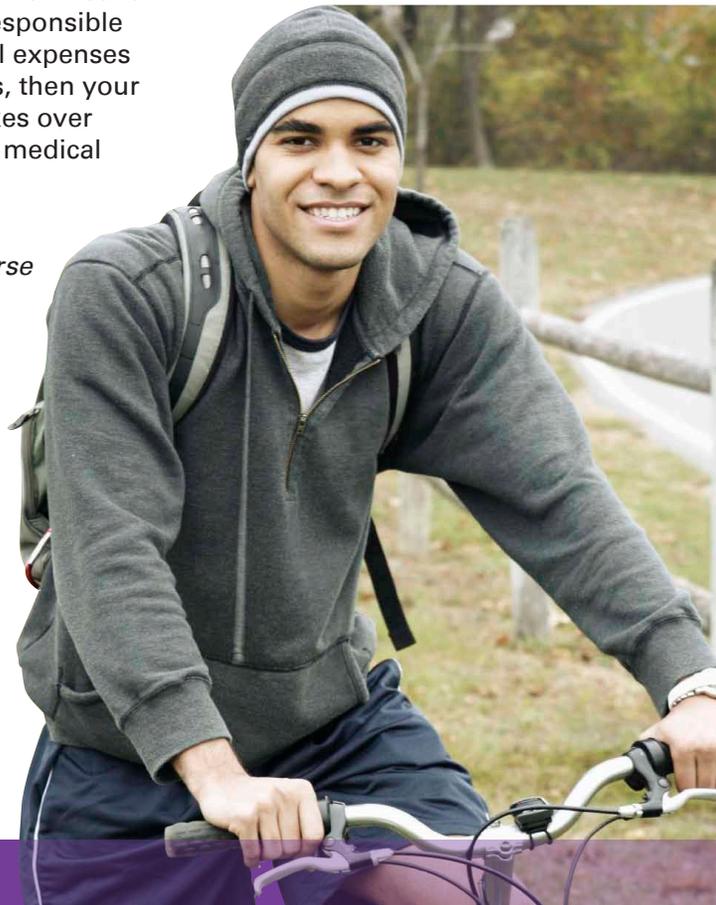
What is third party recovery?

Third party recovery refers to claims that are the responsibility of someone other than PacificSource. The responsible party may be a person, firm, corporation, or insurance company. Auto-related injuries and "slip-and-fall" injuries are examples of common third party cases. The third party provisions of your PacificSource insurance plan apply even if the third party is not at fault and has medical payment insurance. Examples of that include homeowners insurance and auto personal injury protection insurance.

In all third party recovery situations, the other coverage is primary, and your PacificSource coverage is secondary. That means the other coverage is responsible for paying your medical expenses up to that policy's limits, then your PacificSource policy takes over to cover any remaining medical expenses.

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The Information in this flier, along with your PacificSource Member Benefit Handbook, will help explain the subject of "third party recovery" so you can be an informed healthcare consumer.



Making Sense of Third Party Recovery

How does PacificSource know if a claim involves a third party?

When PacificSource receives a claim we think might involve another party, we send you a Medical Service Questionnaire. The questionnaire asks for more information about your injury or illness to help us determine responsibility for the claim. We may also follow up with you by phone or letter if we still have questions. Our purpose is not to look for reasons to deny your claims, but to gain an understanding of the circumstances involved.

What happens if I don't respond to the medical services questionnaire?

Your medical claims are held until we receive your questionnaire. The sooner you complete and return the questionnaire to PacificSource, the sooner we can determine whether or not the third party provisions of your health plan apply.

What if a third party is involved? Will PacificSource just deny my claims and leave me holding the bag?

Absolutely not! If another party or insurer is involved, our Third Party Representatives will work with you to resolve the issue of payment by the responsible party or insurer. We'll help you understand the process and work through all the details. It's all part of our service to you.

If the other party delays coverage of my claim, can PacificSource help me?

If the other insurance involved is homeowners medical pay or auto personal injury protection, delays are unlikely. Those policies are usually prompt in covering your medical expenses.

If the other coverage is based on fault of the other party, there may be delays. In that case, PacificSource may elect to pay your medical claims if a claim has already been filed with another insurer or third party and that carrier has not yet paid. Once the other carrier pays, we will expect to be reimbursed, and will send you a Right of Recovery letter to initiate that process.

What if a third party is found liable after PacificSource has already paid my claims?

If PacificSource has paid your claims and another party is found responsible, we are entitled to reimbursement. You will be expected to pay us back out of any money you recover from the responsible party.

How does the third party recovery process help me?

Coordinating your benefits in third party cases creates several advantages for you.

- By spreading the financial risk among appropriate parties, PacificSource is able to keep your premiums as low as possible.

- If a case does involve a third party, PacificSource will help you recover any money owed to you by other insurers.
- The third party recovery process helps you get the most coverage for your dollar—not just from PacificSource, but from your other carriers as well.

As always, our main concern is making sure you get the benefits you pay for and deserve.

If you have questions, you are welcome to contact our Customer Service Department at 888.977.9299 or email cs@pacificsource.com.



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