



## Effective Practices for Managing Student-Athlete Insurance

The NCAA requires that all member institutions certify that student-athletes have coverage for medical expenses within the deductible of the NCAA catastrophic policy, currently at \$90,000. This can be satisfied by the student-athletes' or parents' personal insurance coverage, or through a basic accident medical policy maintained by the institution (or through an institution's formal self-insurance plan).

Establishing policies to manage costs related to athletic injuries can be an overwhelming responsibility for one person due to the many variables influencing costs. This guide is designed to provide items for consideration to assist in controlling costs related to student-athlete injuries.

**Risk Management Team** — Developing a risk management team will allow a group of individuals with various backgrounds to collaborate on the development of policies for effectively managing student-athlete insurance and to assist in managing costs associated with athletic injuries.

- The team does not need to be large but should include members with various expertise. Some suggestions of roles to consider are the athletics director, athletic trainer, business manager, university risk manager, team physician, finance officer and health center representative.
- Establish goals that you would like to accomplish with this team, such as the following:
  - What type of injuries will the risk management team review?
  - What factors will the team evaluate for these injuries?
    - > Is it more cost and care-effective to fund the travel to have student-athlete care administered in-network vs. out-of-network?
  - What resources are available at the institution to minimize expenses?
  - Establish policies to avoid case-by-case decision-making to decrease potential legal liability to the institution:
    - > Consistency among sport and scholarship/nonscholarship student-athletes (if applicable).
    - > Identification of pre-existing injuries and position on coverage for these injuries.
    - > Post-separation care of injury (for example, exit interview/questionnaire).
    - > Coverage and care for nonathletic injury and illness.
    - > Procuring and funding primary insurance coverage.
- Athletics department representation on the institution's campuswide student health insurance committee to advocate procuring coverage for athletically related injuries within the student-health coverage plan.

**Primary Insurance Requirement** — Using primary health insurance to its maximum is the most effective way to control costs for athletic injuries. It is important to establish a policy and communicate it well to student-athletes, parents and guardians. The following are items to consider in developing a formal requirement:

- Request copy of each student-athlete's primary insurance card(s).
- Request student-athlete/parent/guardian to confirm coverage applies while on campus.
  - Primary insurer may need to be notified of temporary residence.
- Establish acceptable primary health insurance plan criteria that each student-athlete must meet to be eligible to participate, and address the following:
  - Does the policy need to cover athletic-related injuries?
  - Is there a cap on the acceptable deductible level for primary health insurance?
  - Does the student-athlete need to purchase supplemental coverage, or assume responsibility for the gap? The growing trend for health insurance is in high-deductible plans, which can create additional claims costs for institutions.

- Are government-administered programs accepted as primary health insurance? Government administered health care plans, including but not limited to TriCare and Medicaid, have taken the position that their policies are the payer of last resort, including to basic accident coverage intended to be excess. Therefore, if accepted as primary insurance, a basic accident plan will be required to pay as primary coverage.
- Methods to clearly communicate primary insurance requirement policy:
  - Annual compliance meeting/student-athlete orientation.
  - Athletics department website.
  - Written notice to student-athletes/parents/guardians with signature confirming the individual understands the policy with request for primary health insurance card(s).
  - Insurance coverage flowchart to assist with explaining the institution's claim payment process.

**Primary Insurance Verification** — Once you have established a primary insurance requirement and secured proof of such coverage, consider taking the next step; primary insurance verification. Verifying student-athletes' primary health insurance benefits assists in confirming the insurance information provided is accurate and currently in effect. The following are items to consider when implementing primary insurance verification:

- How often will coverage be verified?
  - At the time the student-athletes are reporting for physicals.
  - At the start of each season.
  - Coordinating with health insurance open enrollment (November to mid-December).
- Identify the depth of information you would like verified:
  - Deductible.
  - Copay/coinsurance amounts.
  - Coverage for athletic injuries.
  - In-network and out-of-network.
  - Pre-authorization requirements.
- Methods to verify primary insurance coverage:
  - Identify a staff member to call each student-athlete's insurance provider to confirm coverage is in effect while the student-athlete is at the institution and verify pre-authorization requirements.
  - Use a third-party vendor for efficiency:
    - > Explore new and existing partnerships with local hospital to access verification services and software capabilities.
    - > Some basic accident insurance companies provide insurance verification at various levels and fees.
- Identify categories of primary insurance:
  - Billable vs. nonbillable primary insurance.
  - Deductible level.
  - Potential out-of-network coverage (i.e., Kaiser Permanente and nonparticipating HMO coverage).
- What to do with primary insurance verification results:
  - Develop a policy for procuring primary coverage if a coverage lapse is identified. Options for insurance coverage:
    - > Institution student-health plan that covers athletic injuries.
    - > State insurance exchange.
    - > Individual health policies.
    - > Limited primary accident coverage for athletic injuries.

- > Short-term health insurance policy if outside open enrollment period.

**Primary Insurance Preauthorization** — Clear and consistent preauthorization procedures are important to avoid primary insurance claim denial. Possible methods to manage this process:

- Hire or designate a staff member to contact the student-athlete's primary insurance company, or work with a medical provider to confirm preauthorization has been obtained.
- Assign the athletic trainer managing the student-athlete's injury the responsibility of confirming with the insurance company or medical provider that preauthorization has been obtained.
- Depending on the level of verification purchased, you may be able to have a primary insurance verification vendor identify if preauthorization is required.

**Medical Bill Discounts** — Being aware of how much is being spent with local hospitals and physicians is an area to be explored for cost-saving opportunities. It is also important to understand how the savings are being communicated and the baseline of the discounts received. Below are items to consider when working with your insurance representative:

- Develop strong relationships with local providers and understand the full extent of the relationship between the medical provider and the institution.
  - Is the medical provider providing on-site care at no charge?
  - Is the medical provider providing sponsorship funds to the institution?
- Target institution's alumni base for discounted or in-kind services.
- Identify how much is being paid to frequently used medical providers, including what has been paid by primary insurance, and use this information to negotiate with medical providers.
- How are savings results being communicated?
  - Gross or net savings: Repricing vendors typically used by basic accident insurance companies charge a fee to access their networks.
  - Data set factors: Are all claims submitted for repricing included or only those where a discount was obtained? Is a large bill skewing the results?
- Once you have a full understanding of provider relationship and savings, look for opportunities to negotiate with medical providers:
  - Direct provider arrangements: These arrangements can be negotiated in various capacities but are typically how the most significant savings are realized. You can negotiate directly with medical providers or verify if your insurance representative will negotiate on your behalf. Below are frequently used provider discounting methods:
    - > Percent-of-Medicare: This is an effective option if you have access to this data as Medicare provides a low baseline by geographic area to begin negotiation.
    - > Fee schedule: A fee schedule is also an effective option as you are setting a rate for the service and the provider cannot inflate the rates on the billed side to make up for the agreed-upon discount.
    - > Percent-of-billed: This is the least effective option as the provider can inflate the billed rates to make up for the agreed-upon "discount."

**Using Time-Saving Methods** — Institutions report that access to the following provides significant time savings:

- Online claim reporting.

- Online access to claim information.
- Online claim reports.
- Accessible service team.

***Miscellaneous Effective Practices*** — Your internal evaluation will help identify other cost and time-saving opportunities. Some items to consider when evaluating areas for cost savings:

- Track and benchmark a metric for evaluating cost trends, such as establishing a cost per student-athlete. An evaluation could include the following:
  - Insurance premiums, including primary, basic/secondary, and supplemental catastrophic coverage, if applicable.
  - Athletics department's out-of-pocket claim expenses (i.e., deductibles and co-pays).
  - Third-party claims administrator costs, if applicable.
- Physical therapy guidelines.
  - How much is being spent on physical therapy referred outside the athletic training room?
  - Is it more cost-effective to hire another part-time or full-time athletic trainer to bring more physical therapy in-house?
  - Are you monitoring the treatment plan and provider progress notes to confirm it is in line with the athletic trainer's treatment plan?
- Durable medical equipment and orthotic guidelines.
  - Has the durable medical equipment/orthotic been prescribed by a physician?
  - Do you keep an inventory of durable medical equipment in the athletic training room and track this inventory?
  - Is it more cost-effective to rent equipment or purchase the equipment?
- If your institution maintains basic accident coverage or is looking to add basic accident coverage as part of your effective practices, please review the *Guideline for Selecting an Insurance Representative*.

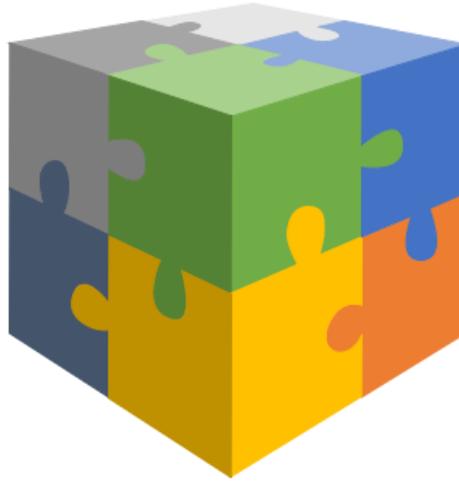
## Effective Practices: Piecing It All Together

### Risk Management Team

- Includes Members with various areas of expertise.
- Establishes policy and goals.
- Implements effective practice policies.

### Primary Insurance Utilization

- Implement primary insurance requirement.
- Verify primary insurance coverage.
- Confirm primary insurance preauthorization.



### Service Team

- Dedicated claims examiner that is familiar with your institution's needs.

### Medical Bill Discounts

- Develop relationships with medical providers.
- Identify provider utilization and cost.
- Develop fee schedule with Medicare baseline.
- Understand saving methodology.

### Time-Saving Methods

- Online incident reporting.
- Real-time access to claim information.
- Access to claim reports.

### Miscellaneous

- Physical therapy guidelines.
- Durable medical equipment guidelines.