

**BULLETIN NUMBER:** 01-2021  
**TITLE:** SPECIALIZED HOSPITAL & NON-PARTICIPATING PROVIDER  
**DATE INTRODUCED:** JULY 29, 2021  
**EFFECTIVE DATE:** AUGUST 1, 2021

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**PURPOSE:**

The purpose of this bulletin is to provide clarification and guidance to members seeking medical care at an off-island specialized medical provider or hospital not contracted with the Healthcare Fund. This bulletin provides a guideline and the reimbursement for services provided at a Non-Participating Providers or Out-of-Network Providers.

**POLICY:**

Section 530. Covered Off-Island and Other Services that Require Approval. NHI reimburses for off-island care and other services that may require approval if the following conditions are met. (1) Services must be approved by the Medical Referral Committee (MRC). In the approval of services, whether the services will be pre-approved or post approved, the Medical Referral Committee should reasonably assure that the services to be approved (a) Comply with existing laws and regulations, (b) are medically necessary, and (c) are administered in the most practical, cost effective setting for that particular medical case. (2) The Administrator, through the MRC, shall only certify or approve medical services for off-island treatment, whether the services will be pre-approved or post approved: (a) that meet the requirements of (1) above, (b) that are covered under the Plan and meet all conditions of coverage under the Plan, and (c) that are administered in the most practical, cost effective Facility for that particular case.

Section 502. Terms, Conditions and Provisions. (3) Maximum Allowable Amount/Usual Customary Reasonable (UCR). The Plan's payment for covered services will be based on the maximum allowable amount. This is the amount that the Plan determines is the maximum payable for each covered service. (d)... the amount the Plan determines as a fair amount. This amount will be based on any information source available and will reflect the complexity or severity of treatment, the level of skill and experience required for the treatment, and comparable providers fee and cost in the geographic area to deliver care.

**BACKGROUND:**

The Healthcare Fund have established contracts and negotiated rates through MOUs with many Off-Island healthcare providers mainly in the Philippines and the Republic of China (ROC) Taiwan. These Healthcare providers are mostly general hospitals which patients with different types of ailments are treated under one roof. The Plan seeks providers based on accessibility, quality of care, specialization and reasonable cost of service. Any medical care facility without a contractual agreement or memorandum with the Healthcare Fund is considered a Non-Participating Provider and therefore expected to charge more than the HCF participating providers. Palau's limited medical resources and specialized physicians, dealing with specific medical needs and certain disease category can be challenging. Specialized Hospitals offers more focused type of care and can tailor their facility and resources to serves the need of certain types of patients. Such hospital facility includes trauma centers, Children's Hospitals, ENT specialty Hospital, Orthopedic Specialty Hospital, rare ophthalmology care and many more. The Healthcare Fund continues to seek other options and new providers equipped with resources to care for patients with specific medical needs and continues to find ways to accommodate different level of care for the insured members of the Republic of Palau.

**GUIDELINE: NON-PARTICIPATING PROVIDER MAXIMUM ALLOWABLE REIMBURSEMENT:**

- Allowed reimbursement applies to currently insured participants of the National Health Insurance. Voucher Program applicants are not qualified for non-participation reimbursement.
- Maximum allowable reimbursement at 100% of UCR amount (if charges is higher than similar case at any of Participating Provider) and not exceeding max coverage of \$35,000. The 20% co-payment of total charges or household income bracket must apply. UCR means the amount paid for a medical service in a geographic area based on what providers in the area usually charge for the same/similar service.
- Maximum allowable reimbursement at 100% of total bill of non-par (if charges is lower than similar case at any of Participating Providers) and not exceeding max coverage of \$35,000. The 20% co-payment of total charges or household income bracket must apply.
- The Healthcare Fund does not have the ability to offer "balance bill" to a Non-Participating Provider, meaning patient cannot pay the difference between the provider's charges and what has to be billed by the plan and the patient in the form of copayment.
- All medical cost incurred at a Non-Participating Provider will be on a self-pay basis, meaning burden of cost shall be out of pocket at the time of care.
- Request for reimbursement shall be submitted to the Healthcare Fund no later than 30 days after discharge from medical provider.

*Example: (If charges is more costly than similar case at Participating Provider)*

Bill from a Non-Participating Provider:	\$20,000
Eligible charges based on UCR:	\$18,000
Less 20% applicable copayment:	<u>(\$3,600)</u>
Allowed Reimbursement	\$14,400

*Example: (If charges is lower than on a similar case at Participating Provider)*

Bill from a Non-Participating Provider:	\$8,000
Eligible charges based on UCR:	\$10,000
Eligible charges based on actual bill	(8,000)
Less 20% applicable copayment:	<u>(1,600)</u>
Allowed Reimbursement	\$6,400

## **REQUIRED DOCUMENTS:**

- Medical history from attending physician and/or local physician
- Medical records related to illness such as copies of diagnostic test and prognosis including CT scan, X-ray, Ultrasound, lab works, blood tests etc.
- Complete medical billing and/or hospital charge slips
- Proof of Payment - receipts
- Passport copy and itineraries
- Approval from the Medical Referral Committee and Plan Administrator

## **INTERPRETATION:**

### **OFF-ISLAND REFERRAL:**

Admission to an off-island Non-Participating Provider can be reimbursed from the Healthcare Fund provided that the request for reimbursement guidelines is met.

### **LOCAL HEALTHCARE PROVIDER**

Currently no Specialized Hospital available on island.

## **RELEVANT CHANGES APPLICABLE:**