

REQUIREMENTS FOR DESIGNATION OF A PROVIDER AS AUTHORIZED REPRESENTATIVE

Providence members have the right to designate an authorized representative to act on their behalf in pursuing a benefit claim or appeal of an adverse benefit determination. An authorized representative must be individual, as opposed to a business entity. If the individual the member designates is a medical provider or someone affiliated with a medical provider, there is an additional requirement that the provider waive whatever rights it may have against the member unless the claim relates to urgent care.

The reason for this requirement is to avoid conflicts of interest. In some instances providers acquire rights of payment against their patients even when the patient has health coverage. For example, regardless of whether a provider participates in Providence's provider network, if Providence denies coverage of a service rendered to the member the provider may have rights against the member for costs of non-covered medical services. Furthermore, when a provider is not under contract with Providence and is therefore "out-of-network", the provider may have the right to charge the member for the amount they bill Providence less the amount paid by Providence under the out-of-network terms of the member's plan. The practice of charging a member for that amount is known as "balance billing."

For example, if a member receives medical services from an out-of-network provider and the provider bills Providence \$1000 for those services, the member's plan will not cover that entire amount. First, the billed amount is reduced to an amount consistent with "Usual and Customary Rates." Providence determines the usual and customary rate for a particular service by referencing a database maintained by a national independent, not-for-profit corporation called FAIR Health. (See <http://www.fairhealthconsumer.org/>). If the UCR rate in the FAIR Health database is lower than the billed amount, such as \$500 instead of the \$1000 billed amount, the amount Providence will pay on the claim is determined by the UCR Rate.

Once the UCR rate is determined, Providence pays the percentage of out-of-network benefits called for in the plan. For example, if the UCR rate is \$500, and the plan pays 60 percent for out-of-network care, Providence will pay the provider \$300. However, if the provider initially billed \$1000 for the services and the provider is not under contract with Providence, the provider may be able to bill the member the remaining \$700 under applicable law.

If a provider were to act as a member's authorized representative while simultaneously holding rights to bill the member for the post-appeal balance, that provider would be in a conflicted position. Therefore, Providence does not permit a member to designate a provider as an authorized representative unless the provider waives its rights against the member by signing the attached form. The only exception to that requirement is for claims involving urgent care, meaning a pre-service claim for medical care or treatment with respect to which normal timeline for pre-service claims could seriously jeopardize the life or health of the member or the ability of the member to regain maximum function, or would subject the member to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim. The provider is not permitted to remain as the member's authorized representative for any post-service grievance processes absent a balance billing waiver.

If your provider is not willing to waive its rights against you by signing the attached form for your claim for non-urgent care, you are free to appoint any other individual to act as your authorized representative who would not be operating under a conflict of interest.

RELEASE OF BALANCE BILLING RIGHTS

(Release to be completed by the provider, not a person affiliated with the provider)

I, _____, hereby waive and release any and all rights that I, my employer, my business partners, any business in which I have an interest, or any business with which I am otherwise affiliated may have to collect payment from the above-named member with respect to any services at issue in any appeal that has been filed or is hereafter filed in which I or a person affiliated with me acts as the member's authorized representative, regardless of the outcome of the appeal. I have authority to bind the third-parties described in the previous sentence to this release.

Provider Signature: _____ Printed Name: _____

Date: _____