

Processes for Lien Identification, Verification, and Audit

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Introduction

Effective lien resolution begins with accurately identifying, verifying, and auditing all potential liens that may be asserted against a client's personal injury settlement. This foundational step ensures that all possible claims are identified and addressed, preventing future disputes and protecting the client's net recovery. This section outlines the critical processes for lien identification, verification, and audit.

Lien Identification Process

Initial Case Assessment

- **Client Intake:** During the initial client intake, gather comprehensive information about all healthcare providers, insurers, and any other potential lienholders. This includes government programs (Medicare, Medicaid), private health insurance, workers' compensation, and any other relevant health plans.
- **Medical Records and Bills:** Collect and review all medical records and bills related to the client's injury. This helps in identifying the entities that have provided medical services and may assert a lien.

Gathering Critical Information Post Intake

- **Insurance Policies:** Obtain copies of the client's health insurance policies and any correspondence from insurance companies. This documentation is crucial for understanding the scope of coverage and potential subrogation claims.
- **Provider Correspondence:** Request itemized statements and correspondence from healthcare providers to identify charges that might lead to liens.
- **Medicare and Medicaid:** Conduct a thorough search for any Medicare and Medicaid liens. Use the Medicare Secondary Payer Recovery Portal (MSPRP) for Medicare liens and the respective state Medicaid office for Medicaid liens.
- **Private Health Insurance:** Contact all private health insurers who you identify to check for any liens. Verify the details with Explanation of Benefits (EOB) statements and correspondence from insurers.
- **Other Liens:** Identify potential liens from ERISA plans, FEHBA plans, military healthcare providers, workers' compensation carriers, and any other relevant entities.

Lien Verification Process

Confirming Lien Claims

- **Direct Communication:** After identifying, contact all potential lienholders directly to confirm the existence and amount of any liens. This includes reaching out to Medicare, Medicaid, private health insurers, and any other identified entities.

- **Requesting Documentation:** Request formal lien documentation from each lienholder. This should include detailed billing statements, explanation of benefits (EOB) forms, and any legal notices of lien.

Cross-Referencing Information

- **Medical Records Review:** Cross-reference the lienholder's claims with the client's medical records and bills to verify the accuracy of the lien amounts. Ensure that the claimed amounts correspond to the actual medical services provided.
- **Policy Provisions:** Review the relevant insurance policy provisions or plan documents to confirm the lienholder's right to recovery. This includes verifying subrogation clauses and reimbursement rights.

Lien Audit

Audit Preparation

- **Compiling Data:** Compile all information gathered during the identification and verification stages for all potential and actual liens. Organize this data in a comprehensive lien spreadsheet or database, detailing each potential lien, the amount claimed, and the status of verification.
- **Setting Audit Criteria:** Establish criteria for the audit, such as accuracy of claimed amounts, compliance with legal requirements, relatedness, and consistency with the client's medical records/injuries.

Conducting the Audit

- **Reviewing Lien Claims:** Conduct a thorough review of each lien claim against the established criteria. Identify any discrepancies, overcharges, or unsupported and unrelated claims.
- **Legal Compliance Check:** Ensure that all lien claims comply with relevant state and federal laws. This includes verifying that lienholders have adhered to notification and filing requirements.

Resolving Discrepancies

- **Dispute:** Contact lienholders to dispute any discrepancies or inaccuracies identified during the audit. Provide evidence to support your dispute, such as medical records or billing statements.

Documentation and Record-Keeping

Maintaining Records

- **Lien Log:** Maintain a detailed lien spreadsheet that records all identified and verified liens, including the outcomes of the audit process. This log should be updated regularly to reflect any changes or resolutions.
- **Correspondence Archive:** Keep copies of all correspondence with lienholders, including dispute letters, negotiation communications, and final agreements. This ensures a clear audit trail and supports future reference.

Client Communication

- **Informing Clients:** Keep the client informed throughout the lien identification, verification, and audit process. Provide updates on the status of each lien and any negotiations or disputes. Transparency with the client builds trust and ensures they understand the impact on their net recovery.

Conclusion

Accurate lien identification, verification, and audit are essential steps in the lien resolution process. By implementing structured processes for these tasks, personal injury law firms can ensure that all potential liens are properly identified, reducing the risk of future unanticipated claims arising. This thorough approach not only enhances client satisfaction but also protects the firm from violations of professional standards and legal obligations.

For a complete in-house process related to liens, it is important to have a comprehensive understanding of the steps to resolve healthcare liens. This foundational knowledge helps to shape the overall strategies the firm uses as part of its resolution program.