

Bummer about your medical emergency, but your claim is denied because you didn't call in advance

Los Angeles Times

Of the many dubious reasons insurers use for denying claims, one of the most bizarre is telling a patient they neglected to obtain prior approval for treatment in the midst of a medical emergency.

Because, of course, the first thing most people think of in a life-or-death situation is phoning some insurance company's call center and jumping through bureaucratic hoops.

Kathy Mutchler faced this Catch-22 recently — and found herself saddled with a \$71,000 air ambulance bill — after being diagnosed with a severe kidney infection in Mammoth Lakes, where she was staying with her wife in an RV park.

Mutchler, 64, who these days calls the open road home, is a member of the Good Sam Club, the world's largest organization of recreational vehicle owners. You've probably seen the stickers on the backs of RVs and campers.

Mutchler pays \$89.99 annually for the service's TravelAssist program, which, among other things, says it covers medical evacuations if suitable care isn't available locally, as well as any costs involved in returning to your RV.

Last month, she went to a Mammoth Lakes emergency room suffering from chills, shakes and fever. Her potassium level was dangerously low.

"They said it was life-threatening," Mutchler told me.

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She wasn't in much of a position to take charge of things, let alone interrupt her medical emergency for some chit-chat with a Good Sam service rep.

"I wasn't in any shape to make a call," Mutchler said. "I felt like I was hallucinating."

After diagnosing the kidney infection, the Mammoth Lakes ER staff tried antibiotics, but couldn't stabilize Mutchler's condition. The doctor decided to transfer her via air ambulance to a better-equipped facility in Reno.

Mutchler's wife, Kathy O'Hara, 60, joined her for the trip and contacted Good Sam as soon as they landed in Nevada to let the organization know what was happening. She was given a case number by a service rep.

Mutchler was hospitalized for three nights. Her condition gradually improved, she was released from the Reno medical center, and she and O'Hara rented a car for the return to Mammoth Lakes — an expense they believed that, like the air ambulance, would be covered by the Good Sam coverage.

It was on the drive home that a Good Sam rep called. Mutchler's claim had been denied. She'd be responsible for the air ambulance and rental car costs.

Her medical costs weren't a factor. They were covered by Blue Cross. But this was a serious blow.

"If we had to pay \$71,000 for the medical evacuation," Mutchler said, "that would be enough to put us in the poor house."

The Good Sam rep pointed her to the fine print in her TravelAssist policy, which stipulates that medical-evacuation expenses "will be covered only if we have given our prior approval and if those services are coordinated by us."

It adds that "we will determine the appropriate method, destination and timing of any evacuation," and "the destination will be the nearest facility capable of providing appropriate care as determined by us."

Mutchler appealed the decision, noting she was in no condition to seek prior approval while drifting in

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and out of consciousness in Mammoth Lakes.

She emphasized that O'Hara didn't join her until she was being driven to the airport, and once they landed in Reno, O'Hara immediately contacted Good Sam.

Mutchler still hadn't heard anything back by this week, so she got in touch with me.

Many travel-related insurance policies contain language exempting people from the need for prior approval in the event of an emergency — a so-called extenuating circumstances provision.

Good Sam's policy contains no such language. There is, however, a passage that says "if the condition is an emergency, you should call 911 or go immediately to the nearest physician or hospital without delay and then contact TravelAssist."

This at least suggests an awareness on Good Sam's part that there will be occasions when a medical emergency tops the need for prior approval.

I reached out via email and Twitter to Marcus Lemonis, chief executive of Good Sam Enterprises and star of the CNBC reality show "The Profit." That resulted a couple of days later in a call from Tom Wolfe, Good Sam's chief financial officer.

He was already familiar with the situation. I related what I'd learned from Mutchler and he said: "You've got the general facts correct."

The problem, Wolfe said, is that TravelAssist "isn't a reimbursement plan." In other words, the coverage is based on TravelAssist making all the arrangements on a Good Sam member's behalf, rather than paying the member back for any expenses incurred.

"Everything needs to be approved up front," Wolfe said.

All well and good, I replied, but what if the member is incapacitated? How is he or she expected to get that up-front approval?

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Wolfe said the terms of the contract are the terms of the contract, although it's possible Good Sam would waive the preapproval requirement on a case-by-case basis, even though it's not contractually obligated to do so.

He said Mutchler's appeal is still pending as Good Sam continues to review her case.

Amy Bach, executive director of the advocacy group United Policyholders, said she thinks Mutchler — and anyone in a similar position — should consider a lawsuit in the event of a denied claim.

"It's just common sense," she said. "You can't seek prior consent if you're incapable of doing so. I cannot imagine any court disagreeing with that."

Wolfe described TravelAssist not as insurance, but as "an advocacy service" that helps coordinate care for Good Sam members if they run into trouble on the road.

In that case, however, they shouldn't offer what appear to be valuable benefits that could turn out to be worthless in real-world situations.

The website for TravelAssist has a little image of a helicopter and promises "emergency medical transportation — to get you the care you need."

If that's not a pledge that can be fulfilled in a reasonable manner, don't offer it.

Anyway, this story appears to have a happy ending, no thanks to Good Sam.

As Mutchler was gathering extra documents this week as part of her TravelAssist appeal, she called Blue Cross to get a copy of the explanation of benefits for her Reno hospital stay.

In speaking with a company rep, it turned out that the claim for her treatment hadn't been processed correctly, and the insurer likely would cover both the hospitalization and the air ambulance.

Mutchler said Thursday she was hopeful her health insurer would come through.

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If so, I can say something unusual for me: Good for you, Blue Cross.

As for you, Good Sam: Bad form.

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