

Lancaster County Drug & Alcohol Commission	Fiscal # 5 Policy: Private Insurance and/or HMO Funding
Most Current Revision: 06152022 Effective Date: 06152022	Page: 1 of 1

**I. Purpose**

Because LCDAC funding is to be utilized as the payment of last resort, all other avenues of funding must be ruled out. Private Insurance and/or an HMO is one of those funding options that must be secured or ruled out as a payment option.

**II. Procedure**

- It is expected that Private Insurance and/or the HMO funding will be utilized for treatment whenever possible.
- If a client has insurance, the treatment provider will aggressively seek payment from the insurance company prior to requesting funding from LCDAC.
- For LCDAC to consider assisting the client in paying for SUD treatment when the client is covered by an insurance policy or HMO, an insurance rejection letter should be obtained.
- The following information must be identified on the “rejection letter” from the insurance/HMO:
  - The name of the insurance company/HMO, the address, and phone number should be clearly on the letter.
  - The signature of the person making the decision and the phone number to reach this person should be identified. The name should be clearly printed or readable.
  - A summary of the client’s SUD benefits as specified in the client’s HMO/insurance policy should be given.
  - A summary of the SUD treatment services already provided to the client in this benefit year.
  - A statement that pertains to the client’s ability to convert benefits from one modality to another.
- This rejection letter from the insurance company must be placed in the client record and may be reviewed by LCDAC during monitoring site visits.
- Questions or issues regarding this matter may be directed to the LCDAC Fiscal Department.

Approved By:



Rick Kastner LCDAC Executive Director

06152022

Date