

PROTECTION FOR TODAY'S REGULATORY HEALTHCARE ENVIRONMENT

When a healthcare provider faces a billing audit, regulatory proceeding, or reimbursement dispute alleging billing errors, MEDEFENSE® Plus helps reimburse covered defense costs, shadow audit expenses, and regulatory fines and penalties.

The New Era of Healthcare Oversight

Artificial intelligence and advanced data analytics are transforming how regulators and payors identify potential billing and reimbursement issues. As agencies increase their focus on payment integrity and fraud prevention, healthcare providers face heightened scrutiny, more targeted audits, and increased regulatory inquiries.

MEDEFENSE® Plus helps protect healthcare organizations from the significant costs associated with defending these proceedings.



What is MEDEFENSE® Plus?

Billing Errors Coverage

Provides reimbursement for covered:

- Defense costs
- Shadow audit expenses
- Regulatory fines and penalties

Coverage may apply to covered proceedings or written demands brought by or on behalf of:

- Government entities
- Commercial health insurance payors
- Regulatory agencies

Other Covered Regulatory Proceedings

Provides reimbursement for covered defense costs and regulatory fines and penalties arising from:

- EMTALA Proceedings
- STARK/Anti-Kickback Proceedings
- HIPAA Proceedings

Preferred Classes

MEDEFENSE® Plus is designed for a broad range of eligible healthcare providers and operations, including:

- Hospitals
- Elder Care Centers
- Healthcare Facilities & Medical Groups
- Alcohol and Drug Rehabilitation
- Community Health Centers
- Surgery Centers
- Dental Practices
- Orthopedic Practices

Ineligible Classes

- Managed Service Organizations
- Medical and Non-Medical Transport Companies
- Ancillary Staffing Operations
- Durable Medical Equipment (DME) Manufacturers and Distributors
- Chiropractors
- Franchise Operations

Real-World Claim Scenarios

01. BILLING ERRORS PROCEEDINGS

The insured received a routine records request from a Unified Program Integrity Contractor (UPIC) under the Centers for Medicare & Medicaid Services (CMS). The UPIC reviewed documentation relating to 88 claims and extrapolated its findings across 3,212 claims, resulting in a repayment demand of \$361,945 based on an allowable four-year lookback period. The final demand was issued one year after the original records request. Once the extrapolated demand was issued, the insured engaged approved shadow auditors, experts, and defense counsel to reanalyze the findings and pursue an appeal. These efforts reduced the repayment demand to \$428. While the matter remains open, Tokio Marine HCC has paid approximately \$156,000 in covered defense counsel costs and approved expert and shadow audit expenses.

Billing Errors Proceedings are the most common type of MEDEFENSE® Plus claim.

02. QUITAM / KICKBACK ALLEGATIONS

Qui Tam Actions remain the highest aggregate losses for TMHCC.

A healthcare provider was named as a defendant in a federal qui tam lawsuit alleging approximately \$3.6 million in improper pharmaceutical prebates/rebates and related False Claims Act violations. MEDEFENSE® Plus coverage was triggered as a Billing Errors Proceeding.

After extensive motion practice, the court dismissed the claims and no appeal was filed. Tokio Marine HCC reimbursed approximately \$124,498 in covered defense costs. The claim remained open for approximately 18 months.

03. STARK / ANTI-KICKBACK ALLEGATIONS

A physical therapy practice received a Civil Investigative Demand from the U.S. Department of Justice in connection with a False Claims Act investigation alleging that false Medicare claims were submitted as part of an improper referral arrangement. Billing Errors Proceeding coverage was triggered under the insured's MEDEFENSE® Plus policy when the government presented a detailed summary of its allegations and issued a written settlement demand of approximately \$512,544. Following investigation, defense efforts, and mediation, the matter was resolved with a \$100,000 settlement. Tokio Marine HCC paid approximately \$137,000 in covered amounts over the life of the claim, including covered defense expenses.



The scenarios used are examples of the types of claims and associated costs commonly seen and do not represent a comprehensive explanation of any one particular claim. While the subject coverage is designed to address certain risks and associated costs, coverage may not be available in all circumstances. Each reported claim will be evaluated on a case-by-case basis. The actual policy or endorsement language should be referenced to determine coverage applicability and availability.

Pricing Guide

Annual Gross Revenue-Based Pricing

ANNUAL REVENUE	\$250,000 LIMIT	\$500,000 LIMIT	\$1,000,000 LIMIT	DEDUCTIBLE
\$0 – \$2.49M	\$1,125	\$1,350	\$1,500	\$2,500
\$2.5M – \$4.9M	\$2,250	\$2,700	\$3,000	\$5,000
\$5M – \$9.9M	\$3,375	\$4,050	\$4,500	\$5,000
\$10M – \$19.9M	\$4,305	\$5,166	\$5,740	\$10,000
\$20M – \$29.9M	\$5,250	\$6,300	\$7,000	\$10,000
\$30M – \$39.9M	\$5,775	\$6,930	\$7,700	\$10,000
\$40M – \$49.9M	\$6,300	\$7,560	\$8,400	\$10,000
\$50M – \$59.9M	\$6,930	\$8,316	\$9,240	\$25,000
\$60M – \$69.9M	\$7,875	\$9,450	\$10,500	\$25,000
\$70M – \$79.9M	\$8,663	\$10,395	\$11,550	\$25,000
\$80M – \$89.9M	\$9,450	\$11,340	\$12,600	\$25,000
\$90M – \$99.9M	\$10,500	\$12,600	\$14,000	\$25,000

Anything over \$100M will be reviewed by an underwriter for pricing determination, with MEDEFENSE® Plus appetite limited to entities under \$250M in gross revenues.

Pricing Notes

- Pricing is indicative and subject to underwriting review of a completed and favorably reviewed MEDEFENSE® Plus application.
- Final premiums may vary based on specialty, claims history, operations, and exposure profile.
- Rates, limit options, deductibles, and program terms are subject to change and may vary based on underwriting review.

Product Highlights

- Limits up to \$1,000,000 each claim / \$5,000,000 aggregate*
- Claims-made policy form
- Full Prior Acts coverage available
- Broad policy language
- Coverage for Billing Errors Proceedings, EMTALA Proceedings, Stark / Anti-Kickback Proceedings, and HIPAA Proceedings
- Free choice of counsel
- Optional Damages Sublimit available by endorsement*
- Optional Disciplinary Proceedings Sublimit available by endorsement*

*Subject to additional premium

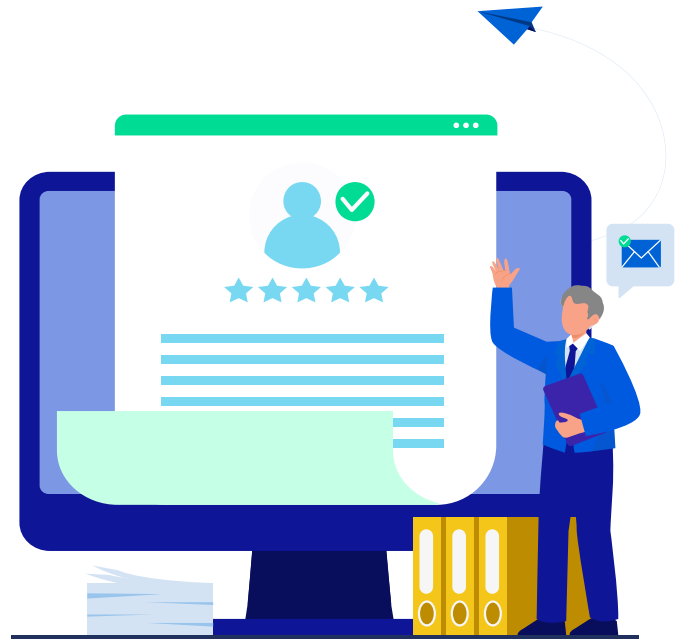


Pricing Qualifications

To qualify for this program, the Applicant must be an eligible healthcare provider or healthcare organization and submit a completed MEDEFENSE® Plus application and any additional information requested by the underwriter. The Applicant must have no known claims, proceedings, audits, demands, investigations, or circumstances that may give rise to a claim unless fully disclosed to and accepted by underwriting.

How to Purchase

1. Fully complete the MEDEFENSE® Plus application (CBONBMED-42025) and submit to Tokio Marine HCC (TMHCC) for review.
2. If approved, TMHCC will release a quote to the agent or broker. Additional information may be requested based on the underwriter's review.
3. The agent or broker must submit a formal bind order, as well as any outstanding subjectivities, before coverage may be bound. Premium payment, including associated taxes and fees, must be made within 30 days of binding.



Policy and Endorsement Links

MEDEFENSE® Plus Insurance is underwritten by Houston Casualty Company on policy form CBO 1000 (4.2020), together with any applicable endorsements, notices, state amendatory endorsements, and surplus lines forms.

With Tokio Marine HCC – Cyber & Professional Lines Group, your clients benefit from our innovative solutions, over 20 years of deep underwriting expertise in cyber and professional lines risks, a strong financial foundation, cutting-edge technology services, and excellent industry ratings.

AM Best: A++ Superior

S&P Global Ratings: A+ Strong

Fitch Ratings: AA- Very Strong

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Tokio Marine HCC is the marketing name used to describe the affiliated companies under the common ownership of HCC Insurance Holdings, Inc., a Delaware-incorporated insurance holding company. Headquartered in Houston, Texas, Tokio Marine HCC is a leading specialty insurance group with offices in the United States, the United Kingdom and Continental Europe.

This communication provides a general product summary and should not be construed as a guarantee of coverage. Any claim scenarios described in this communication are hypothetical and used solely for the purpose of illustrating how the insurance is intended to apply to certain situations. Whether, or to what extent, the insurance applies to a particular claim or loss depends on the circumstances of the claim or loss and the terms and conditions of the policy, as issued.