



How to Choose Your Insurance

Choosing your insurance coverage is one of the most important decisions you will make for yourself and your family this year.

Even if you have employer sponsored health insurance coverage, you still have choices: will it be an HMO, a POS or a PPO? Are you disciplined enough to venture into the HSA market? Remember that your contribution toward the premium depends on your individual insurance needs.

If you are self employed, your decision will depend on the state of residence, age of insured, company size and your budget. An aging workforce is required to pay higher insurance premiums in Connecticut, while age makes no difference in New York.

The cost of the policy depends on the type of coverage as well as the assumed risk. Higher deductibles and co-pays reduce the premium, but if they are too high, their cost may prevent some people from seeking health care.

You should re-evaluate your policy every time you renew it. Were your experiences with your coverage and your broker satisfactory? Were your claims paid on time? Did you have unexpected denials? Did you incur additional

expenses due to policy limitations? Was your broker available to assist you with issues?

According to the insurance industry, the cost of health insurance will increase by 9 percent this year. Large employers are planning to pass on a 2.4 percent increase in co-pays and deductibles to their employees. Exploring your options and taking the time to understand them will help you minimize your cost burden, while ensuring your family is properly insured.



Take a walk with me in the world of insurance.

HSA: Is It Right for Me?

HSAs have been erroneously criticized as another wealth collection vehicle for the rich. Actually, it is a savings vehicle for the healthy. Although deductibles are high, HSAs provide savings of the total

cost of insurance. People with serious or frequent medical problems will pay more for care. Healthy people will reduce their insurance bills. Hypochondriacs beware: you need not apply!

The reason these policies are less expensive is that the policy holder assumes the risk up to the first \$2,000-10,000. A typical home or auto policy works the same way: a higher deductible equals a lower premium. The

only difference is the tax implication. If you don't get sick, you save money tax free. But if you have a few medical expenses, the tax savings are eliminated and additional taxable income will have to be spent.

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Editor's note:

Welcome to the second issue of the Health Insurance Newsletter from MedBillsAssist.

Your comments and suggestions are welcome.

Medicare and Your Money

Medicare, the government health insurance, has rules that are just about as complex as our tax code. What's worse: Medicare changes its rules on a monthly basis making it more challenging for patients and providers.

Since coverage is 80 percent for selected services only, purchasing Medigap insurance is advisable. A hospital stay of 1–60 days will cost \$952 in deductibles every two months this year. Even the least expensive Medigap policy will cover this cost. (As you might expect, certain conditions apply. Call us for details.)

Foreign travel, preventive care and home nursing can be covered by a more comprehensive supplemental policy. When deciding the extent of this coverage one needs to ask: how much insurance do I need?

Be aware of the Advanced Beneficiary Notice letter and any other forms your doctor or hospital asks you to sign. This letter states that you will pay your provider if Medicare does not pay or is not billed.

Most services hinge on medical necessity or Medicare's view of one. A

missing number in your medical claim can produce a rejected claim. Working with your medical provider to correct errors results in correct payments. Decisions by Medicare can be appealed by the patient. If the patient makes a compelling case, Medicare will reconsider and in most cases, will agree with a patient.

Everyone should take advantage of preventive services covered by Medicare. These include bone mass measurement, colorectal screening, pap smear, prostate cancer screening and mammograms.

Usual and Customary

What does it really mean?

This is a fee that is usual for a particular procedure charged by the majority of physicians with similar training and experience within the same geographic area.

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This question surfaces whenever a client leaves an insurance network and finds out—usually after services are provided—that he or she is now liable for out-of-network deductibles

and his or her part of the usual and customary charges. Additional non-notification penalties can add up to full patient liability for all services. The patient shares financial liability with the insurance carrier.

Appealing these decisions is costly and cumbersome to most reimbursement professionals, and almost impossible to attempt as a patient.

Sad News from the Census Bureau

A report published by the Census Bureau this month reveals that the median individual income increased by 1.1 percent last year, but that increase was attributed to the over-65 age group. The gain was mostly from investment income and social security, not from higher salaries. For working men, income decreased by a half percent for the second year. The picture is even bleaker for women, as their income dropped for

the third year in a row. The bureau reports 46.6 million people in the US have no medical insurance. That is an increase of 1.3 million from last year. The number of uninsured people is now higher than the aging population of 46 million covered by Medicare. The number of uninsured children also rose for the first time since 1998.

The good news is that economic growth was strong in 2005, and productivity growth was impressive. What

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has been missing are federal government policies that help ensure the benefits are shared. Many states are stepping in to create their own health-care policies to cover this gap.

Q & A

Q: Why does my HSA allow me to withdraw only \$400 at the ATM?

A: Each HSA is set up with a bank account, and the banks dictate the terms and conditions. The good news is that more large banks are getting into the HSA market and that will result in better terms for the insured.

Q: My company did not pay the insurance premium, so payment for hospital services was denied. Am I liable?

A: Yes. However, if you have paid your portion of the company's health plan premium, you can make a reasonable argument that your employer should pay for the services. Start with your human resources department, and pursue the case with appropriate



state health agencies if necessary.

Q: Does out-of-network authorization have to be obtained by the provider?

A: No, but as services are often authorized by specific CPT (Current Procedural Terminology) and ICD-9 (International Classification of Diseases) codes, it is nearly impossible for the patient to obtain this information. It is advisable to ask the pro-

vider to obtain the authorization.

Q: What is the penalty for not obtaining authorization?

A: It depends on the insurance policy provisions. Some will apply a 50 percent penalty, while others will deny the entire claim.

Q: The prescription medication I am taking has been removed from the formulary. What are my options?

A: Discuss other medication options with your doctor or pay the higher cost. In the event of substitute medication problems, document each adverse reaction and appeal to the insurance company for approval of the original drug.



Please call 203-570-3904 for a
Free Consultation



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MedBillsAssist

Our mission is to represent our clients' best interests and work on their behalf in an ethical manner, in compliance with state and federal regulations.

While offering a wide range of solutions, we tailor our services to each client's specific needs. Our services range from resolving claim problems from one specific illness to reviewing and tracking all health-related solutions.

When you need a patient advocate to negotiate with medical providers and insurance companies, call us.

Medicare trained specialists.

Licensed in Connecticut and New York.

In the next issue:

- Commercial insurance
- Don't ask, don't tell coverage issues
- Medicare prescription benefit renewal
- In the news
- Q and A