



Joe's Tips – Module 2: How Insurance Works

- 1. Keep a record of any medical services and procedures you receive.** In a notebook, keep track of doctor visits and any care received at the hospital or other medical facility. Note dates and types of service rendered (including lab work, tests, x-rays, therapy, etc.), where the service was provided, diagnoses made, medications prescribed and other specifics. Do the same for all covered family members. This information is vital for checking your EOBs (Explanation of Benefits) later on. Some plans also offer this information on a secure site. Print a copy if you change plans.
- 2. Give health care providers your most recent medical insurance card.** When you receive a new medical ID card from your insurance company, immediately replace your old card with the new one. To process your claims correctly and avoid payment delays, your doctor's office and other providers need the most up-to-date ID card.
- 3. Carefully review the EOBs (Explanation of Benefits) you receive from your insurance company.** Processing medical claims is a complicated process, and mistakes can happen. Just as you double check your bank or credit card statements, review your EOBs closely for accuracy. Make sure the dates and services shown match your records. Call the number shown if you have questions or think there's a problem. (See Learn More for helpful tips on reading and understanding EOBs.)
- 4. Know how your medical plan works.** Your EOBs will make a lot more sense when you understand what your medical plan covers and what you are responsible for paying. How much is your annual deductible? What is your coinsurance percentage? Does your plan require office visit co-pays? Are there precertification requirements? How is out-of-network care covered? What is the plan's annual out-of-pocket limit? If you don't understand these basics, contact your medical plan customer service or member services department at the number shown on your ID card.
- 5. Understand that some medical services – particularly tests – may involve “behind the scenes” doctors or facilities.** When you have an MRI or lab work, your EOB may show charges from the facility that analyzed your lab work or the radiologist or pathologist who read your tests. If you aren't sure about a charge, call the phone number on your EOB.
- 6. Pay your doctor promptly for your share of the cost.** Copayments are due at the time of visit. If you haven't yet met your annual deductible, pay your provider as soon as the claim is processed and the network discount has been applied. In most cases you are responsible for 100% of the cost up to your deductible amount. Once you've met your deductible, wait for your medical plan to pay its share and then promptly pay the remaining balance for which you are responsible. If you can't pay your share all at once, call your provider to work out a payment schedule.

Joe's Tips – Module 2: How Insurance Works

7. **Save money by taking advantage of tax-free payment options.** If your employer offers flexible spending accounts (FSAs) or health reimbursement accounts (HRAs), use these accounts to pay your share of health care costs. Both accounts are tax-free, helping you stretch your dollars further. Employees in “high-deductible medical plans” may qualify for health savings accounts (HSAs) – another tax-free way to pay your medical costs. (See the Learn More section for more on these accounts.)
8. **Select physicians and facilities in your plan's network.** The providers in your network have agreed to discount their charges and meet certain credentialing requirements. By staying in-network, you may significantly lower your costs. Tip: Before receiving care, **always** check with your plan to make sure the provider is still in the network. Otherwise, you'll probably **pay a lot more – you may be responsible for paying** the full price plus any amounts that are above reasonable and customary limits.
9. **Get organized!** Set up a filing system to keep track of EOBs, bills, receipts, lab results and other health care information. Since medical costs can represent a significant expense for many families, it makes good sense to keep track of this information.