

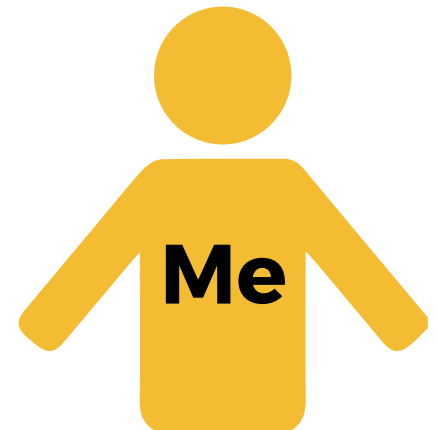


# TIPS TO SAVE MONEY ON HEALTHCARE



All information in this presentation is based on the general case and may **not** be applicable in your particular situation. The presentation is purely informational. Please check with your doctor/provider and insurers directly when making a decision related to your care.

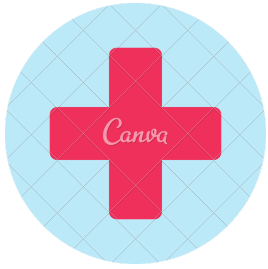
# How does the US healthcare system work?



# Health Insurance

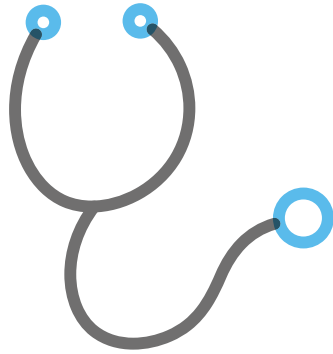


Health insurance is an insurance that covers the whole or a part of the risk of a person incurring medical expenses, spreading the risk over numerous persons.



# Types of Health Plans

- **HMOs** (Health Maintenance Organizations):  
In-network/primary
- **PPOs** (Preferred Provider Organizations):  
Out-of-network/no primary
- **EPOs** (Exclusive Provider Organizations):  
Hybrid, in-network/no-primary
- **POS** (Point-of-Service Plans):  
Hybrid, out-of-network/primary
- **HDHPs** (High Deductible Health Plans):  
Large fixed amount before insurance takes effect



# Preventative Care

Under the ACA guidelines, most plans must cover preventative care at no cost to the patient, such as:

- Yearly Physical
- Anemia Screening
- Cervical Cancer Screening

Here is the full listing:

<https://www.healthcare.gov/coverage/preventive-care-benefits/>

# Health Plan Terms and Minimums



**Premiums:** A fixed amount paid monthly by you and/or your employer to cover your health insurance.

**Copay:** A fixed amount paid for a service.

For instance, you might pay \$20 copay for a doctor's visit.

**Deductible:** The minimum amount you must pay in before your health provider will cover non-preventative care.

**Minimums for HSA in 2020: \$1400 (Ind); \$2800 (Family)**

**Insurer Negotiated Rates:** Insurers negotiate rates with providers that you will be responsible for paying. The average insurer discount is 30% (according to FAIR Health).

# Health Plan Terms and Minimums



**Coinsurance:** An insurer pays a portion of a claim, while you pay the remaining percentage. For instance, 10% coinsurance, on a service of \$1000 is \$100 out-of-pocket for the patient.

**Out-of-Pocket Max:** The maximum amount out of pocket yearly, note this can drastically differ from your deductible, especially in a low-deductible plan. Deductible Included.

**Maximums:** \$8,200 (Ind); \$16,400 (Family)

**Explanation of Benefits:** The insurance adjustment on a medical charge, what the insurer paid and what is left for you to pay.



# Health Plan Terms and Minimums



**Plan Year:** A plan year is a set annual 12 month period in which you are covered under an insurance plan. Within a plan year, if you have a major life event, you can make changes within 30 days. Plan year might not follow calendar year.

**HSA:** A health saving account (HSA) where you or your employer can deposit money tax-free (federal, not CA) and grow tax free (federal, not CA). **Maximums \$3,550 (Ind.) , \$7,100 (Family)**

**IRS Qualified Expenses:** <https://www.irs.gov/pub/irs-pdf/p502.pdf>



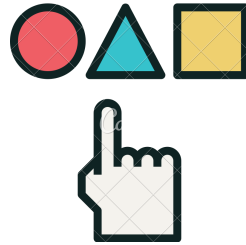
## What to do in the event of a claim denial?

- **Determine** 'what' was denied; 'why' via EOB or talking to an adjuster
- **Collect** and save all documentation
- **Appeal.** Go through the full appeal process
- **File a complaint:** <http://www.insurance.ca.gov>
- **Hire an attorney** to represent you in court/arbitration

# Employers



# How to pick a health plan?



- The average health plan cost in 2019 was \$7,188 (Ind) and \$20,576 (Family)
- Employers often pay a portion of their employee premium
- Employers might also offer to put money into a health saving account (HSA) if you choose a high deductible health plan
- To pick a plan, you must estimate the cost of health goods and services that you might use

# **How to pick a health plan (continued)**

**Utilization:** How much non-preventative care your using yearly

## **Example Estimated costs (cash):**

1. Sick vists - \$100-200
2. Lab work (per lab): \$10-150
3. X-Ray: \$70-150
4. MRI/CT Scan: \$250-700
5. Urgent Care: \$110-250
6. ER Visit: \$1,000-1,50

# How to pick a healthcare plan

	Utilization	Yearly Spend	Empl. Incentive***
<b>HDHP (Bronze Plan)</b>	Low Utilization or High Utilization  1-3 sick visits, 2-4 labs	> \$1,000 or much higher deductible	HSA Contribution/ Premiums
<b>Low Deductible, HMO (Silver Plan)</b>	Medium Utilization  5-10 sick visits, urgent care/ER	\$1,000 - \$3,000	80-90% Premiums
<b>Low Deductible, PPO (Gold Plan)</b>	High Utilization  10+ sick visits chronic condition treatment	> \$3,000	80-90% Premiums

\*\*\*Generalization of what employers often offer

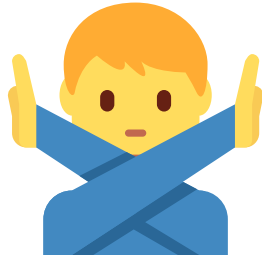


# Healthcare Exchange

- Subsidies for a plan on the exchange up to \$155K (Family); Could be tax-deductible if you itemize
- It can provide you continuous coverage in the event of a lost job
- Exchange can provide you with the option for PPO plan or non-Kaiser plans
- Additional Income: For not taking employer health insurance

**\*\*You'll have to pay back subsidies if you're income increases. Tax Reform increased minimum % of income for healthcare spending deduction from 7.5% to 10% of income.**

# Balance Billing and Out-of-Network Doctors



**Balance Billing:** when a provider bills you the difference between insurer rate and the provider charge

California law prohibits balance billing not related to copayments, etc. Note, balance billing laws do not apply to out-of-network medical visits for HMOs.

## Out-of-Network Doctors

No more bills from out-of-network doctors. California requires fully-insured plans to pay out-of-network physicians at in-network hospitals the greater of the insurer's local average contracted rate or 125% of the Medicare reimbursement rate.





# Providers

# How does provider pricing work?



# Prices can vary by over 600%



# Compare price by provider

Category: Radiology and Imaging | CPT: 72193

Are you a Medicare patient? →

Disclaimer: We cannot guarantee any price. Please call health providers billing departments to verify price.

Sort by (low-high):

Showing 1 - 10 of 18 results

## Palo Alto Medical Foundation - Santa Clara Center

★★★★★ ?

(408) 524-5733

2734 El Camino Real

Pelvis CT Scan

CPT: 72193

Public list price ?	Avg insurer adj. price ?	Estimated cash price ?
\$763.00	\$534.10	\$534.10

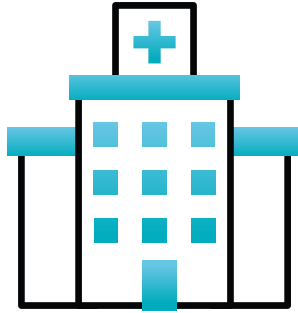
No notes.

See a problem?  

## SimonMed Imaging - Los Gatos

CPT: 72193

Public list price ?	Avg insurer adj. price ?	Estimated cash price ?



# **Types of Provider Prices**

- Out-patient versus in-patient
- Facility fees and/or provider fees
- Itemized billing v. bulk procedures
- Billing coding systems like CPT, HCPCS
- Insurer adjustment/cash adjustment
- Financial assistance/charity care
- In-network versus out-of-network



Dates of Activity	Item Description / Activity	Charges
2016 - 04/02/2016	LABORATORY SERVICES	\$18,861.
2016 - 04/01/2016	DIAGNOSTIC/THERAPEUTIC IMAGING	\$95,727.
2016 - 04/02/2016	PHARMACY	\$33,719.
2016 - 04/02/2016	SUPPLIES	\$33,798.
2016 - 03/24/2016	SPECIAL CARE UNIT-ICU/CCU	\$30,118.
2016 - 03/31/2016	EKG SERVICES	\$9,342.
2016 - 03/22/2016	EMERGENCY ROOM	\$30,532.
2016 - 03/26/2016	RESPIRATORY THERAPY	\$7,648.
2016 - 04/01/2016	ROOM & NURSING CARE	\$31,532.
2016 - 03/25/2016	SURGERY	\$47,741.
2016 - 03/25/2016	RECOVERY	\$4,835.
2016 - 03/25/2016	ANESTHESIA SERVICES	\$16,243.
2016 - 03/25/2016	PATHOLOGY SERVICES	\$416.
2016 - 03/31/2016	PHYSICAL MEDICINE & REHAB	\$2,832.
2016 - 04/01/2016	SPEECH THERAPY/REHAB	\$4,084.

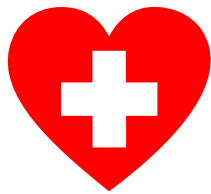
## A Bad Bill - Call for Itemized Bill

profit credit counseling services may be available in the area. State and federal law requires debt collectors to treat you and prohibit debt collectors from using profane language or making improper communications with third parties, including your employer.

If you have insurance coverage, Medicare, Medi-Cal, or other coverage for this date of service, please contact us for assistance. If you are on a courtesy plan, we may file a claim for you. Please contact us to provide insurance information. For more information on our customer service at the number indicated below or return a copy of the front and back of your insurance card along with the payment slip in the envelope provided. If you do not have

**Total Charges**

**\$367,435**



# Financial Assistance

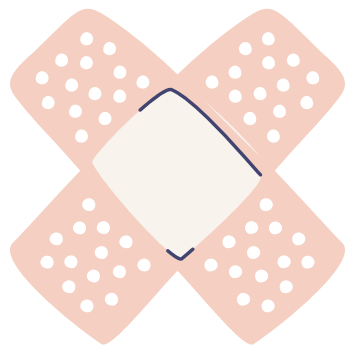
- Non-profit hospitals are required to offer charity care; however, they are not mandated to find out if their patients qualify
- Hospitals **vary** on Charity Care income qualifications from 150% - 800% of the poverty line
- Write off amounts **vary** from free care to medicare rate
- Catastrophic care **varies** from 10-25% of income
- Can apply **AFTER** receiving care; some hospitals require you to be uninsured; some do not and can be applied to deductibles and coinsurance.



# Federal Poverty Line

Household Size	100%	133%	138%	250%	400%
1	\$12,490	\$16,612	\$17,236	\$31,225	\$49,960
2	\$16,910	\$22,490	\$23,336	\$42,275	\$67,640
3	\$21,330	\$28,369	\$29,435	\$53,325	\$85,320
4	\$25,750	\$34,248	\$35,535	\$64,375	\$103,000
5	\$30,170	\$40,126	\$41,635	\$75,425	\$120,680
6	\$34,590	\$46,005	\$47,734	\$86,475	\$138,360
7	\$39,010	\$51,883	\$53,834	\$97,525	\$156,040
8	\$43,430	\$57,762	\$59,933	\$108,575	\$173,720





## Cash-Pay for Health Services

- You can **cash-pay** for any health services in California
- Cash-pay is when you do not have health insurance or opt-out of your health insurance
- Cash rates are range from **medicare rate** to highest **insurer negotiated rate**
- Call up the hospital financial counselor and they give you a price estimate



## How to dispute a medical bill?

- It's much **easier** to pick a cheaper provider before you get a service
- Figure out if your dispute is with your insurer or the provider; it could be both
- **Send a dispute letter within 30 days** of receiving a medical bill (certified mail)
- **Follow-up with the provider; negotiate (keep records)**



## How to dispute a medical bill?

- **Sent to collections.** Dispute the bill with the Credit Bureaus
- Show up to the court hearing (this is **very important**, because not doing so could result in **wage garnishment**)
- Depending of the jurisdiction, expect to pay around **Medicare Reimbursement rates** for the health service

# **Common Reasons to Dispute a Medical Bill**

- Services not received
- Billed twice for the same service
- Up billing for services. For instance, doctors visits are classed from level 1-5. Sometimes up-billed to level 4 or 5
- Billing preventative care as not preventative
- Bills are too highly priced compared to the Medicare Reimbursement rates (it's difficult to argue this as you are paying your insurer negotiated rates), but you can always try
- Incorrectly bundled procedures

# Government





# **Government's Roles in Healthcare**

- Sets regulations and makes rules
- Investigates claims against hospitals / health insurers
- Pays hospitals / insurers for treatment received by patients
- Tax Penalty in CA: \$695 for no insurance CA / 2.5% of income

**Centers for Medicare and Medicaid Services:**

<https://www.cms.gov/>

**California Office of Statewide Planning and Health**

**Development:** <https://report.oshpd.ca.gov/>

**California Department of Managed Care:**

<https://www.dmhca.ca.gov/>

# Medicare

**Part A: Hospital Insurance.**

Deductible: \$1,408.

No coinsurance, until after  
60 days

**Part B: Medical Insurance.**

Deductible: \$198.

Co-insurance: 20%. Medicare Prices





# Medi-Cal

- **Medi-Cal Coverage Requirements:**

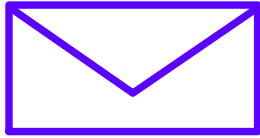
[https://ca.db101.org/ca/programs/health\\_coverage/medi\\_cal/program2.htm](https://ca.db101.org/ca/programs/health_coverage/medi_cal/program2.htm)

- **Major Accident/Medical Crisis:** Medicaid might cover bills received before medical coverage is granted (three months prior)
- Small providers may not accept Medical patients
- Share-of-cost

**Medi-Cal Phone number: (800) 541-5555**



# Contact



**EMAIL**


**joannecrodrigues@gmail.com**

# How does provider pricing work?

How does health provider pricing work?

Watch later Share

**\$105,000**



ClinicPriceCheck

\*This pricing information has been generalized for California. It may not be true for other states, where the Cash-Pay rates may be higher than Commercial Insurer rates. The Chargemaster price mark-up may also be lower in other states, than it is in California.