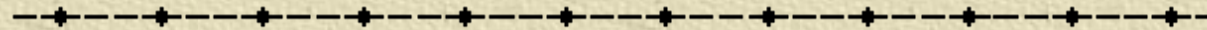


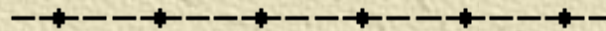


# Online Resource for Insurance Information



Presented by:

The University of New Mexico  
Student Health & Counseling (SHAC)

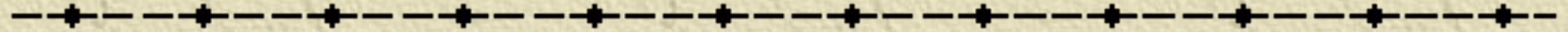


# Purpose

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- Understanding health insurance is difficult. UNM Student Health & Counseling (SHAC) developed this presentation to provide a general overview of health insurance plans.

# The goal is to:



1. Provide students with a basic understanding of insurance plans and terminology.
2. Explain why health insurance is important.
3. Encourage students to become informed consumers of health insurance.

# What does health insurance cover?

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In general, it offsets the cost of doctor bills, surgery, hospital, laboratory and x-ray fees, and pharmacy costs.

In some cases, it will cover specific needs, like long-term care, vision care, or dental care.

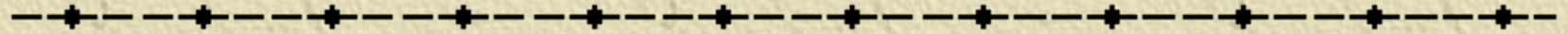
# Insurance Facts

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- Healthcare costs continue to increase.
- Even with insurance, consumers are asked to pay a larger amount of healthcare costs.
- 40% of our nation is uninsured for health insurance.
- One of the largest age groups uninsured is young adults aged 20-29.

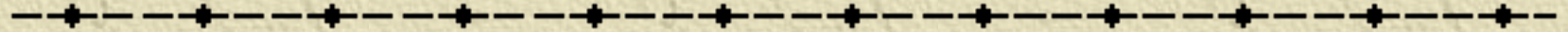
# Sample Healthcare Cost for Common Injury

## Soccer Injury (with Mild Concussion)



Physician	186.00
Laboratory	156.00
CAT Scan	1,444.00
X-ray	461.00
Emergency Room	359.00
Physician (Urgent Care)	186.00
Physician (Hospital)	410.00
Radiologist	<u>282.00</u>
	3,604.00

# RISK



- Risk of illness and injury is a part of life.
- Risk of financial loss due to healthcare costs is a part of life in the United States.
- Health insurance is a way to “share the risk.”

# How can insurance companies afford to pay healthcare costs?

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- They pick groups to insure which are statistically healthy.
- They set limitations on coverage.
- They negotiate with healthcare providers to discount their charges.
- They charge the consumer premiums, deductibles, and co-pays.

# Types of Insurance Coverage

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- Managed Care
  - ◆ Preferred Provider Organizations (PPOs)
  - ◆ Health Maintenance Organizations (HMOs)
- Fee-for-Service / Indemnity Plans
- Point-of-Service Plan

*Confused? Don't worry, we will explain.*

# Managed Care

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- Managed Care plans provide care at the lowest, 'out-of-pocket' expense.
- In order to keep the coverage affordable, these plans have rules which must be followed.
- Patients are encouraged to stay within the plan's network of providers and healthcare facilities.
- Two types of Managed Care plans are HMOs and PPOs.

# Health Maintenance Organization (HMO)

A primary care provider is designated. This provider may act as a gatekeeper managing the course of your healthcare treatment.

HMO patients are required to see in-network providers, and use in-network healthcare facilities (except in cases of emergency).

# HMO Example

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- Sam is covered under an HMO plan. His parents pay the insurance premium.
- Sam must select a primary care provider (PCP) from the HMO's list who will direct all of Sam's health care.
- Sam has a bad knee injury and wants to see a special orthopedic doctor. First, he may need to see his PCP. If the PCP cannot help Sam, he will write a referral to the specialist and may need to schedule the appointment for Sam.

# HMO Summary

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- No deductible in-network
- Small co-pay fees in-network
- Access to care is directed by the primary care provider.
- Pre-authorization from the HMO may be needed in some situations.
- In general, no claim forms need to be filed.

# Preferred Provider Organization (PPO)

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- PPO plans give the patient more flexibility. The patient can see any doctor in the network without getting approval. This includes specialists.
- The PPO patient is able to seek care outside of the network, but the insurance benefit is reduced, and the out-of-pocket expense increases.
- Refer to individual policies for details.

# PPO Example

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- Jane works at a company that provides PPO health insurance. Her company pays the insurance premium.
- Jane can select any doctor she wants to see as long as they are in-network providers. (No claim forms are needed for in-network providers.)
- She does not have to get prior approval to seek health care from an in-network specialist.
- Jane pays a co-pay with each visit. The co-pay may be different for specialists, pharmacies, and hospitals.

# PPO Summary

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- Medium to high premium cost
- Reasonable co-pays
- Ability to select the provider
- In-network, no claim forms
- Ability to go out-of-network for extra 'out-of-pocket' fees and decreased benefit
- Out-of-network claim forms must be filed with the PPO plan.

# Fee-for-Service (Indemnity) Plans

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- Private indemnity or “fee-for-service” insurance can be obtained by individuals on their own, or through groups, such as employers or associations.
- These plans generally offer the freedom to choose your own healthcare providers including specialists and hospitals.
- The medical costs are split between the insurance company and the subscriber. Each pays a fixed percentage of the medical costs.
- These plans have set maximum “out-of-pocket expenses” the subscriber will have to pay.

# Fee-for-Service Example

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- John is no longer covered on his parents' health insurance plan. He purchases an indemnity plan.
- He has to pay the insurance premium (cost of the policy).
- He will be responsible to pay a deductible fee that will be applied to his healthcare cost before the insurance will begin to pay.
- He will also be responsible to pay a percentage of the medical costs (coinsurance) up to a set limit.
- John is able to select his own healthcare provider.
- He does not need referrals to see a specialist.

# Fee-for-Service Example (Continued)

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- John is in a car accident and ends up in the hospital for one week with two broken legs. His total hospital bills are \$25,000.
- He is responsible for a deductible, and a percentage of the medical charges, up to a set limit.
- The deductible: \$250
- John's 20% of the charges: \$4,950

# Fee-for-Service Example (Continued)

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## With Insurance

John's total 'out-of-pocket' expense for this hospitalization would be \$5,200.

## Without Insurance

This hospitalization would cost John \$25,000.

# Fee-for-Service Summary

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- Deductible fee applies
- Patient is responsible for a percentage of medical costs.
- Patient can see any provider or use any medical facility they choose.
- Higher out-of-pocket expenses
- Patient may need to fill out claim forms.

# Claim Forms



Claim forms can be obtained online from your insurance company!

<b>National Union Fire Insurance Company of Pittsburgh, Pa.</b> COVERAGE VERIFIED _____		<b>MAIL TO:</b> Maksin Management Corp. P.O. Box 2567 • Spring, TX 77383-2567 1-800-285-8133		<b>CLAIM FORM</b>  COMPLETE IN DETAIL TO ENSURE PROMPT HANDLING		
SPECIAL NOTICE: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.						
<b>PLEASE PRINT ALL INFORMATION</b>						
<b>PART 1 – MUST BE COMPLETED AND SIGNED</b>						
Name of School _____			Policy Number _____	Birth Date _____		
Insured's Name	LAST NAME	FIRST NAME	M.I.	INSURED'S SOCIAL SECURITY #	PHONE	
Present Address		NO. AND STREET	CITY OR TOWN	STATE	ZIP • 4	
Home Address		NO. AND STREET	CITY OR TOWN	STATE	ZIP • 4	
If claim for dependent, give dependent's name _____, relationship to insured _____, D.O.B. _____						
<b>MUST BE COMPLETED</b>	Are you covered (as an insured or dependent) by any other hospital and/or medical plan? <input type="checkbox"/> Yes Insured <input type="checkbox"/> Yes Dependent <input type="checkbox"/> No					
	If yes, please check one: <input type="checkbox"/> Group <input type="checkbox"/> Individual <input type="checkbox"/> Automobile/Medical					
	If yes, also indicate name and policy number of insurance company.					
	Name of Insured: _____		Policy #/Group #: _____	I.D. # _____	Company _____	
	Have you filed a claim with the above company? <input type="checkbox"/> Yes <input type="checkbox"/> No Send copies of all Explanation of Benefits showing benefits paid and/or benefits denied to the Company at the address above.					
Name and Address of Employer of: _____ <input type="checkbox"/> Insured, if employed <input type="checkbox"/> Spouse, if insured is married						
1. Date of accident or sickness				Date of first treatment.		
2. Nature of sickness or injury.						
3. If injury, describe how and when accident occurred and indicate if work related						
*4. If injured in practice or play of sport, indicate which sport.				Check One:	<input type="checkbox"/> Intramural <input type="checkbox"/> Intercollegiate <input type="checkbox"/> Other	
5. Have you previously been troubled with this condition?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Date _____			
6. Give name of all other physicians consulted						
7. Hospitalized? If so, where and what dates	Where? _____	From: _____		To: _____		
8. Health Center referral?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, attach referral to claim form. If no, please explain _____			
PAYMENT WILL BE PAID TO THE PROVIDERS OF SERVICE (Hospital, Physician and others), UNLESS A PAID RECEIPT OR STATEMENT ACCOMPANIES THE BILL AT THE TIME THE CLAIM IS SUBMITTED						
* IMPORTANT: ALL INTERCOLLEGIATE SPORTS CLAIMS MUST BE SIGNED BY AN AUTHORIZED ATHLETIC/SCHOOL OFFICIAL						
I hereby certify that the above injury was sustained while participating in official activities under adequate organizational supervision						
Signature of College Official _____		Title _____		Date _____		
To any medical care provider, medical care facility, insurer, government-sponsored health plan, or employer I permit (while my claim is pending) the release of any medical information about me to the Company and its representatives. The Company's representatives include re-insuring companies and other persons or groups performing business or legal services relating to my claim. This applies to all information about the diagnosis, treatment, or prognosis of any illness or injury I now have or have had in the past. The Company will use this information to find out if my claim is eligible. A copy of this authorization form of which will be given to me by the Company upon my request will be as valid as this one.						
I certify that the above information given by me in support of this claim is true and correct.						
Patient's or Authorized Representative's Signature _____				Date _____		
If Authorized Representative, Relationship to Patient _____						
STREET _____		CITY _____	STATE _____	Zip • 4 _____		
59100 Rev. (6/05)		ITEMIZED BILLS FOR MEDICAL EXPENSES MUST BE ATTACHED		NURC-GEN		

# Point-of-Service Plans

- Point-of-service plans blend elements of managed care and indemnity plans.
- Every plan is different, so choose carefully!
- Read the fine print and understand the terminology.

# Insurance Terminology

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- Subscriber: The person who is insured.
- Premiums: The cost of the policy. Paid monthly, quarterly, or yearly (like a car payment).
- Deductible: The amount you pay before your insurance starts to pay. In general, the higher your deductible, the lower the premium.
- Co-pay: A fixed amount the subscriber pays at the time of service. (Usually seen with HMOs and PPOs.)

# Terminology (continued)

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- Coinsurance: The percentage paid by the subscriber for health care, after the deductible has been met. (Usually seen with indemnity plans.)
- Eligible, or reasonable & customary charges: Are the charges for services rendered, as established by individual insurance companies looking at availability, and costs with in a specific location or region.

# Terminology (Continued)

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- Pre-existing condition: An illness or injury which happened before you purchased your insurance policy.
- Out-of-pocket expense: Medical costs which the subscriber is responsible for. These are in addition to the cost of the premium. They are charges the insurance will not cover (e.g., deductible, co-pays, etc.).

# Terminology (Continued)

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- In-network provider: A healthcare provider or facility that has a contract with the insurance company. They provide services at a reduced cost.
- Out-of-network provider: A healthcare provider or facility that does not have a contract with the insurance company. Treatment at these facilities will cost the patient more.
- Claim form: A form which must be submitted to the insurance company to request payment of healthcare costs.

# When shopping for health insurance:

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- Pay close attention to the schedule of benefits or description of benefits. This will spell out the details of the policy.
- Note the lifetime maximums paid by the insurance company. You may wish to have more coverage. \$30,000 won't go far towards a long-term hospitalization. Can you purchase optional medical coverage? For how much?
- Read about reasonable and customary charges and how that will affect you.

# Shopping for Insurance (Continued)

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- Note the maximum paid per illness or injury.
- Compare premium costs, deductibles, and co-payments.
- Read the **limitations and exclusions** carefully.
- Note if there are geographical limitations to the policy.
- See if the plan offers a certificate of creditable coverage. This is evidence of your coverage under the health plan, and will assist you to avoid the pre-existing clauses in your next policy.

## Please note:

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- The information provided here is generic and very general. It is important to compare policies and to understand their benefits and limitations.
- Remember, you get what you pay for.
- Be an informed consumer!

Return to UNM Student Health & Counseling  
Insurance web page: <http://shac.unm.edu/shi.html>