

# Understanding your health insurance policy and payment practices

As a patient, you should be involved in your medical treatment and in paying for your health care. This flyer will help you understand your health insurance policy and the health care payment process.

Your doctor's office staff follows the rules of your health insurance policy. The office staff works hard to send bills on time to your health insurance company for payment so you will not have to pay for medical care covered by your health insurance. In some cases, the doctor's office staff may ask for your help when bills are sent to your health insurance company to make sure your bills are paid on time.

## Ten frequently asked questions about paying medical bills

### 1. What is a health insurance policy?

Your health insurance policy is a contract between you and your health insurance company. It is an agreement that your health insurance company will pay for covered medical care as long as your premium is paid. The health insurance company may not pay for every bill. This is why it is important for you to know which medical treatments the health insurance company will pay for and which expenses it will not cover. You are responsible for paying any medical costs that the health insurance company does not pay for.

### 2. What are some common insurance terms I should know?

Be sure to check with your health insurance company to see how these terms apply to your health insurance coverage.

- **Co-payment or "co-pay"** The part of your medical bill you must pay each time you visit the doctor. This is a pre-set fee determined by your health insurance policy.
- **Co-insurance** The part of your bill, in addition to a co-pay, that you must pay. Co-insurance is usually a percentage of the total medical bill—for example, 20%.
- **Deductible** The cost you must pay for medical treatment before your health insurance company starts to pay—for example, \$500 per individual or \$1,500 per family. In most cases, a new deductible must be satisfied each calendar year.
- **Non-covered charges** Costs for medical treatment that your health insurance company does not pay. You may wish to determine if your treatment is covered by your health insurance policy before you are billed for these charges by the doctor's office.
- **Approval number** A number authorizing the health insurance company to pay benefits for your care. You may need to obtain an approval number from your health insurance representative before you see the doctor in order for the health insurance company to pay for your medical treatment. Your doctor's office staff might be able to help you obtain the approval from the health insurance company.

### **3. How is my doctor's office paid?**

You should pay your co-payment and deductible, if required, during your visit to the doctor. While you are responsible for your medical treatment, your doctor's office will make every effort to seek payment from your health insurance company for the amount owed under your policy. The process by which the office seeks payment is very complicated, which is why the doctor's office needs correct information from you.

### **4. What information should I bring to the doctor's office?**

- Photo identification, such as a driver's license or passport;
- Your current health insurance card; and
- Any change in personal information such as your name, address, employer or phone number.

### **5. If the doctor is seeing my child, what information should I bring to the doctor's office?**

- Your health insurance card or the card of the person who covers the child's medical care; and
- The name of the person responsible for the child's medical care decisions and payment.

The doctor's office will also need to know your relationship to the child.

### **6. Why does the doctor's office need my personal and health insurance information to get paid?**

The doctor's office staff uses this information to confirm your health insurance coverage and to send your health insurance company a request for payment of your medical bill. The health insurance company requires your personal and health insurance policy information before it will pay your bill. Be sure the doctor's office staff has your current health insurance policy information, including the health insurance company name and address, policy number, group number, etc., so the health insurance company can pay your medical bill on time. Much of this information may have changed since your last visit to the doctor. The services covered by your health insurer also may have changed. That is why many doctors' offices require you to provide this information at each visit.

### **7. What steps should be followed if I am expecting a baby?**

Before the baby is born:

- Contact the mother's or father's health insurance company to ask how to add the newborn to the health insurance coverage;
- Select a pediatrician's office to treat the baby; and
- Sign up the expected baby with the pediatrician's office. The newborn's hospital stay and follow-up care are typically not covered under your health insurance policy. Therefore, the doctor's office will ask for the newborn's health insurance information.

### **8. What is a "coordination of benefits" form?**

Many health insurance companies require you to fill out a form that tells the company whether you or another family member have other health insurance. Your health insurance company needs this information to work with other insurers to determine which company pays for what service. It is important that you fill out this form and return it to the health insurance company. Otherwise, your medical bills may not get paid or payment may be delayed.

## 9. What if the health insurance company does not pay or pays only a portion of my medical bill?

As a courtesy to you, the doctor's office staff will contact the health insurance company to ask why the medical bill was not paid. The health insurance company may ask the doctor's office staff to appeal or re-send the medical bill with more information. This typically happens when the health insurance company has not paid for a procedure or service listed on your bill even if your doctor said it was medically necessary. You may receive a copy of your doctor's appeal letter to your health insurance company.

The doctor would like your help to get the medical bill paid when your health insurance company does not pay. You may be asked to call your health insurance company or your employer to ask why your medical bill has not been paid.

## 10. What are some common reasons a health insurance company may not pay for medical treatment?

- Services were provided for a pre-existing condition. Most health insurance companies will not cover treatment for medical conditions you had before obtaining coverage through the health insurance company. Your health insurance policy should discuss pre-existing conditions in more detail;
- Medical treatment provided to you is not covered by your health insurance policy;
- The coordination of benefits form (see above) or other required health insurance forms were not completed by you;
- The health insurance premium has not been paid, either by you or your employer;
- A spouse, child and/or newborn is not covered under your health insurance, since he or she was not added to the policy;
- The doctor is "out-of-network," which means your doctor does not have a contract or agreement with your health insurance company. If your doctor refers you to another doctor, be aware that if the referred doctor is "out-of-network" you may be responsible for a portion of the payment; and
- Another health insurance policy requirement, such as obtaining prior approval for your medical treatment, was not followed.

### Questions or concerns about practice management issues?

AMA members and their practice staff may e-mail the AMA Practice Management Center at [practicemanagementcenter@ama-assn.org](mailto:practicemanagementcenter@ama-assn.org) for assistance.

For additional information and resources, there are three easy ways to contact the AMA Practice Management Center:

- Call **(800) 262-3211** and ask for the AMA Practice Management Center.
- Fax information to **(312) 464-5541**.
- Visit [www.ama-assn.org/go/pmc](http://www.ama-assn.org/go/pmc) to access the AMA Practice Management Center Web site.

The AMA Practice Management Center is a resource of the AMA Private Sector Advocacy unit.