



Health Insurance Hacks

Slash Your Costs, Save Big, Stress Less!

In Partnership with:



Presenters



Lance De Peralta



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- Founders of Kauzmo LLC
- Veteran/minority-owned small business
- Support the missions of social impact organizations (or SIO's)

Disclaimer

We are NOT...

- Medical professionals (doctors, nurses)
- Legal professionals (attorneys, paralegals)
- Financial professionals (CPA's, wealth advisors)
- Benefits Specialists
- Insurance Brokers

We Are...

Healthcare industry experts with
50 years of experience –
COMBINED!

Experience

- Worked and consulted for insurance carriers.
- Also consulted for:
 - Healthcare providers (e.g., hospitals)
 - The government (Medicare/Medicaid)
 - Employers

Mission

Experience → **Educate** and **Empower**
YOU!

Today You'll Learn...

- The Three “Laws”
- The Four “Barriers”
- Why This All Matters
- Strategies
- Next Steps

Something for Everyone

- **Offer** insurance to employees
- **Purchase** insurance for yourself...and others
- **Covered** under someone else's insurance
- **Considering** offering/purchasing insurance

By The End...

- **Better** informed
- **Motivated** to apply the lessons
- **Inspired** to share the lessons with others

The Three “Laws”

Healthcare Finance 101

The Laws

- Billed
- Allowed
- Paid

First Law: Billed

- The amount **submitted** by a healthcare provider for reimbursement.
- Other name(s):
 - Submitted Charge
 - Billed Charge
 - Total Charge

Second Law: Allowed

- The amount **eligible** for reimbursement.
- Other name(s):
 - Eligible Charge
 - Covered Charge
 - Negotiated Rate
- It's possible for the:
 - Billed = Allowed
 - Billed < Allowed (WTH?!)

Third Law: Paid

- You and your insurance each pay a portion of the **Allowed**.
- Insurance (premiums)
- You (out-of-pocket costs aka the **“barriers”**)

B-A-P Example

Billed

- Provider submits a bill for **\$1,000**.

Allowed

- Based on the contractual relationship between the provider and insurance carrier, **\$800** is eligible for reimbursement.

Paid

- Insurance pays: **\$500**
- You pay: **\$300**

Beware of...

- **Balance billing**
- What it is: When a provider bills you for the difference between the **Billed** & **Allowed** amounts.
- Why it matters: The provider doesn't have a contractual relationship with your insurance carrier.

Balance Bill Example

Billed

- Provider submits a bill for **\$1,000**.

Allowed

- No contractual relationship between the provider and insurance carrier.
- But your carrier says **\$800** is eligible for reimbursement.

Paid

- Insurance pays: **\$500**
- You pay: **\$300**

Balance
Bill

- Provider bills YOU for the remaining **\$200**
- You now owe: **\$500**

Also Beware of...

- Assuming “Oh...my insurance will cover it.”
- You may be responsible for paying the **entire Allowed** amount based on a combination of:
 - Service type
 - Insurance type
 - Coverage terms
- Example: You haven't met your deductible

“My Insurance Will (NOT!) Cover It” Example

Billed


- Provider submits a bill for **\$1,000**.

Allowed

- Based on the contractual relationship between the provider and insurance carrier, **\$800** is eligible for reimbursement.

Paid

- Insurance pays: **\$0**
 - You pay: **\$800**
- YOU DIDN'T MEET
YOUR DEDUCTIBLE!**

Two thick red curved lines, one at the top right and one at the bottom right, framing the central text.

1 Example
3 Different Outcomes!!!

The Four “Barriers”

Cost-Sharing



96% of Americans
don't understand them.

The Barriers

- Copay
- Deductible
- Coinsurance
- Out-of-Pocket Maximum

Barrier #1: Copay

- Definition: The set fee you pay for a **covered** healthcare service.
- Examples:
 - \$30 Primary Care Provider (PCP) copay
 - \$50 Urgent Care copay
 - \$500 Emergency Room copay
 - \$25 Generic Drug copay
- Typically due at the time of service.
- Applied towards your deductible – but not ALWAYS!

Barrier #2: Deductible

- Definition: A fixed dollar amount you pay **before** the insurance carrier starts to make payments for **covered** healthcare services in a policy period.
- Examples:
 - \$3,000 individual deductible
 - \$6,000 family deductible
- Meeting your deductible: Doesn't mean your insurance starts paying for EVERYTHING!

Barrier #3: Coinsurance

- Definition: The **percentage** of the cost that you pay (vs. the insurance carrier) for **covered** healthcare services after you have met your deductible.
- Examples:
 - 80/20
 - 70/30
 - 60/40
- You continue to pay coinsurance until...

Barrier #4: Out-of-Pocket Maximum

- Definition: The most you would ever have to pay for **covered** healthcare services during the policy period.
- Examples:
 - \$7,500 individual OOP max
 - \$15,000 family OOP max
- Copays + Deductibles + Coinsurance

Example

The Four Barriers In Action

Scenario

- You have an upcoming **planned surgical procedure** at SBDC hospital.
- The procedure **is covered** by your insurance.
- SBDC hospital **is part of** your insurance carrier's network.
- No other healthcare expenses this year.
- Total Billed: **\$50,000**
- Total Allowed: **\$50,000**

Your Health Insurance

- **\$2,000** annual deductible
- **80/20** coinsurance
- **\$50** surgical copay
- **\$5,000** annual out-of-pocket maximum



How much did **you** pay vs.
your **insurance**?

Barrier #1: Copay

- \$50 surgical copay
- Starting balance: **\$50,000**
- Remaining balance: **\$49,950** (\$50,000 - \$50)

Barrier #2: Deductible

- \$2,000 annual deductible
- Current balance: **\$49,950**
- Remaining balance: **\$47,950** (\$49,950 - \$2,000)

Barrier #3: Coinsurance

- 80/20 coinsurance
- Current balance: **\$47,950**
 - Insurance: **\$38,360** (80% of \$47,950)
 - You: **\$9,590** (20% of \$47,950)

Two thick red curved lines, one at the top right and one at the bottom right, framing the central text.

But WAIT!

Barrier #4: Out-of-Pocket Maximum

- \$5,000 annual OOP max
- “Revised” Coinsurance:
 - **\$2,950** NOT **\$9,590!**
 - \$5,000 - \$2,050 (copay + deductible) = **\$2,950**
- Current balance: **\$47,950**
- Remaining balance: **\$45,000** (\$47,950 - \$2,950)

Answer: You vs. Insurance

- Total bill: **\$50,000**
- Your portion: **\$5,000** (or 10%)
- Insurance portion: **\$45,000** (or 90%)



Why This All Matters

Buyer Beware!



Health literacy IS financial literacy!

Would You Rather Pay...

\$25,000?

\$7,500?


\$1,500?

Well, Obviously...



The Reality...



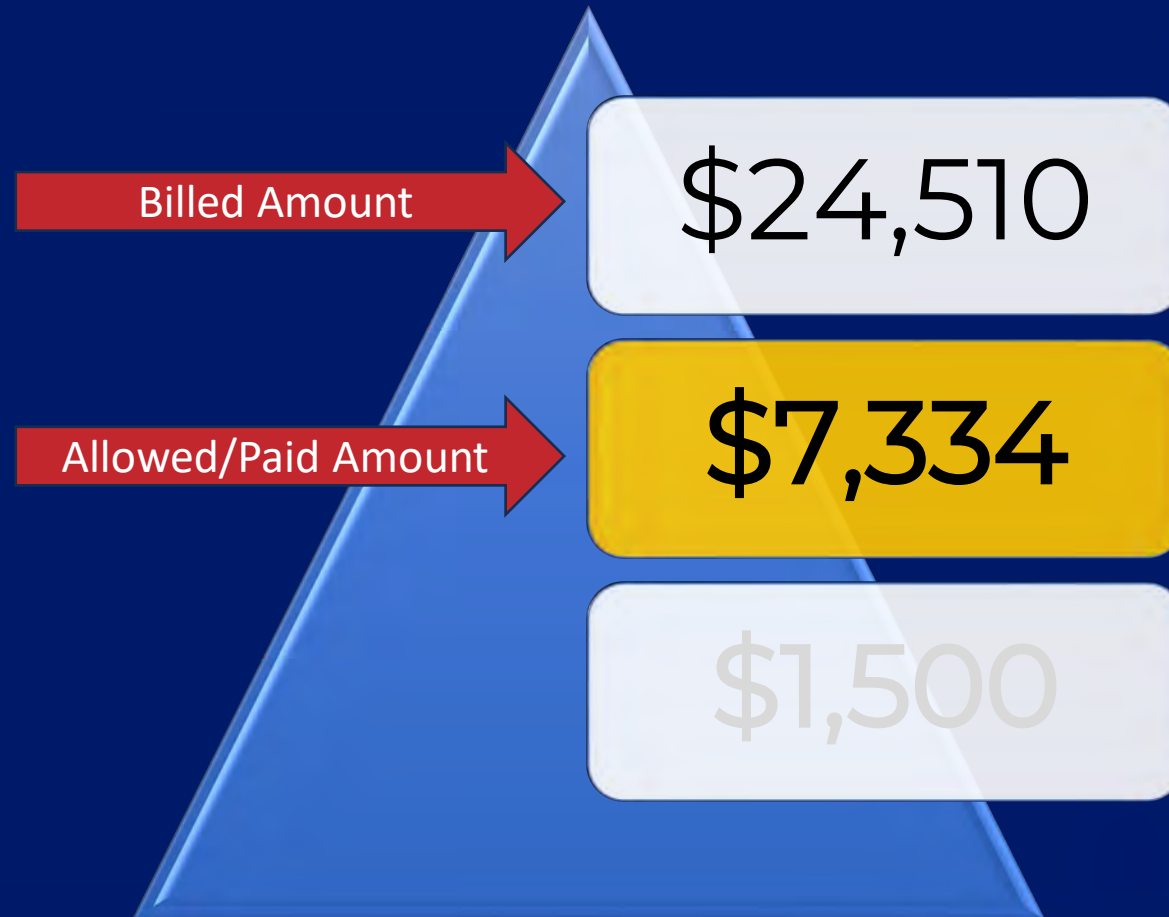


Expect to spend (on average) an additional \$143 to \$7,798 per year!

Real-Life Story

- Friend “Jane” (lives in Las Vegas)
- Healthcare worker
 - Medical staffing company (different from current one)
 - Traveling clinician (self-employed)
- She had health insurance (\$8,550 deductible)
- Horrible **emergency room** (ER) experience

Her Reality...



Her Alternate Reality...

She got charged too much!



Nobody is
Immune!

What Can
You Do?



Strategies

Powerful ways you can “hack” the (healthcare) system.

The “Noble Six” Strategies

1. Master the fundamentals.
2. Cost-effective plan features...use them!
3. If you can schedule it, you can shop it.
4. Prevent high ER bills with these 29 words!
5. NEVER pay the first bill!
6. Invest in your health literacy.

Strategy #1

Master the fundamentals.

Practice Makes Progress

- Watch the replay (multiple times if necessary!)
- Teach the information to others (learn it twice!)

Understand Your Insurance

Summary of Benefits & Coverage (SBC)

Brochure

Highlights costs, covered services, limitations, and out-of-pocket expenses.

Helps you compare different health insurance options.

Summary Plan Description (SPD)

User Manual

Explains plan provisions, benefits, eligibility requirements, and claim procedures.

NON-COVERED services are spelled out!

SBC Example

- Use it to familiarize yourself and your (appropriate) family members with their benefits.
- Refer to the SPD for definitions, included & excluded treatments, and venues.
- Pharmacy is often separate and called “Formulary”.

Common Medical Event	Services You May Need	What You Will Pay			Limitations, Exceptions, & Other Important Information
		Tier 1	Tier 2	Tier 3	
<p>If you need drugs to treat your illness or condition.</p> <p>More information about prescription drug coverage is available at www.novus.com.</p>	Generic drugs (Tier 1)	\$25 Copay per prescription (retail); \$62.50 Copay per prescription (90-day fill)		Not covered	<p>\$2,000 person / \$4,000 family annual Maximum out-of-pocket per calendar year</p> <p>A 90-day supply is available at retail or by mail order.</p> <p>The Plan offers a Copay Max program for specialty drugs included in the specialty tier and dispensed only through the specialty pharmacy, Lumicera. See SPD for Copay Max program description.</p> <p>Separate out-of-pocket amount, does not accumulate to the prescription drug out-of-pocket</p>
	Preferred brand drugs (Tier 2)	\$50 Copay per prescription (retail); \$125 Copay per prescription (90-day fill)			
	Non-preferred brand drugs (Tier 3)	\$75 Copay per prescription (retail); \$187.50 Copay per prescription (90-day fill)			
	Specialty drugs (Tier 4)	As stated above based upon drug class			
	Weight Loss Medications: GLP-1's FDA approved for weight loss	25% coinsurance up to \$250 per month per prescription \$3,000 maximum annual benefit			
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	No charge Physician's Surgical Services; Not covered Ambulatory Surgical Facility	\$75 Copay per procedure at an Ambulatory Surgical facility; \$250 Copay per procedure for Physician's Surgical Services at other outpatient hospitals	Not covered	Preauthorization is required. If you don't get preauthorization, benefits will result in no coverage.
	Physician/surgeon fees	No charge Physician's Surgical Services; Not covered Ambulatory Surgical Facility	\$40 Copay per surgery for Physician's Surgical Services at an Ambulatory Surgical facility; No charge at other outpatient hospitals No charge		
If you need immediate medical attention	Emergency room care	\$500 Copay per visit	\$500 Copay per visit	\$500 Copay per visit	Copay may be waived if admitted
	Emergency medical transportation	Not covered	\$50 Copay per trip	\$50 Copay per trip	Copay may be waived if admitted; Preauthorization is required for Non-emergency services. If you don't get preauthorization, benefits will result in no coverage.

Strategy #2

Cost-effective plan features...use them!

CARE: Preventive & In-Network

Preventive Care

- Checkups, screenings, and immunizations.
- An investment in your long-term health.
- Little-to-no cost.

In-Network Care

- Care delivered by doctors and facilities that are in your insurance network.
- It can significantly reduce your out-of-pocket costs and prevent unexpected bills.

MED: Telemed & Generic Med's

Telemedicine

- Allows individuals to consult with a doctor remotely for minor illnesses and follow-up appointments.
- Often more convenient and cost-effective than traditional in-person visits.

Generic Medication

- Basically a copy of a brand-name medication
- Same active ingredient & equal effectiveness.
- Cost is the key difference!

Strategy #3

If you can schedule it, you can shop it.

Put on Your “Consumer” Hat

- Verify whether your plan covers the service.
(from Strategies #1-2)
- Get the billing code(s). *(from Strategy #5)*
- Get the price(s): *(from Strategy #5)*
 - Negotiated insurance rate
 - Cash rate
 - Medicare rate (your guide)
- Shop around!

Personal MRI Story

- My wife developed lower back pain
- Her physician recommended an MRI
- Some insurance requires X-Ray before MRI
- The MRI (72148) was necessary but “non-emergent”
- Bills for 72148 range from **\$234** to **\$10,000+**
- I “shopped” and found prices around **\$1,100**
- One lab at a trauma center offered **\$300** after 9:00pm if no emergencies were in progress



Strategy #4

Prevent high ER bills with these 29 words!

Emergency Care: It's the Law!

- EMTALA: Emergency Medical Treatment and Active Labor Act of 1986
- Hospitals are required, by law, to provide emergency treatment to patients who need it, whether or not:
 - You signed their financial consent form.
 - You have health insurance.

Before You Sign ANYTHING...

- Request a printout of the hospital's financial consent form.
- Cross out their financial consent.

Write in this Clause:

“Superseding other consents, I consent to responsibility (including insurance) for up to 2 times Medicare following receipt of an itemized bill for appropriate treatment coded at the correct Level.”

Document It!

- Sign the form.
- Take a picture of it for your records.
- Show the photo to the staff. (optional but encouraged)

All About Leverage

- Two issues people encounter with the traditional financial consent form:
 - You don't know how much care you'll need.
 - No one tells you the price.
- The **29-word** informed consent language puts a ceiling on the amount that you say you're willing to pay.
- Ceiling = **2x** Medicare (fair price)

Strategy #5

NEVER pay the first bill!



FACT:
Medical billing errors
are COMMON!

Gather Information

- EOB statement
- Itemized bill(s)
- Relevant medical records (if necessary)

EOB Statement

- **Not a bill!**
- Explanation of benefits:
 - A breakdown of the charges of your care.
 - What the plan paid.
 - What you owe.
- Your carrier sends you an EOB after:
 - You received care.
 - The provider submits a claim to the carrier for payment.



CLAIM DETAIL
 PATIENT:
 PROVIDER:
 CLAIM #:

DATE PROCESSED:

SUBSCRIBER INFORMATION
 Member ID#: Group #:
 Customer Advocates are here to help!

Amount Billed	\$440.00
Discounts and Reductions	- \$300.27
Health Plan Responsibility	- \$0.00
You may owe your health care provider for these services	\$139.73

Service Description	Service Dates	YOUR BENEFITS APPLIED				YOUR RESPONSIBILITY				Your Total Costs
		Amount Billed	Discounts and Reductions	Amount Covered (Allowed)	Health Plan Responsibility	Deductible Amount	Copay Amount	Coinsurance	Amount Not Covered	
Consultation	05/09/2022	440.00	(1) 300.27	139.73		139.73				139.73
CLAIM TOTALS		\$440.00	\$300.27	\$139.73	\$0.00	\$139.73	\$0.00	\$0.00	\$0.00	\$139.73

CLAIM DETAIL
 PATIENT:
 PROVIDER:
 CLAIM #:

DATE PROCESSED:

Blue Cross and Blue Shield has negotiated discounts with this provider. The following shows how the BCBS discount (ADP) is used to help lower your out-of-pocket expenses.

Amount Billed	\$5,532.00
Discounts (ADP)	- \$1,841.74
Health Plan Responsibility	- \$263.24
You may owe your health care provider for these services	\$3,327.02

Service Description	Service Dates	YOUR BENEFITS APPLIED				YOUR RESPONSIBILITY				Your Total Costs
		Amount Billed	Discounts and Reductions	Amount Covered (Allowed)	Health Plan Responsibility	Deductible Amount	Copay Amount	Coinsurance	Amount Not Covered	
Drugs	05/10/2022	216.00		216.00		140.18				140.18
Med/Surg Supplies	05/10/2022	486.00		486.00		315.41				315.41
Laboratory Services	05/10/2022	360.00		360.00		233.64				233.64

An explanation of benefits

Itemized Bill

- Invoice: A detailed breakdown of all the charges associated with your medical care.
- **Medical billing codes:** The language of healthcare payments.
- Insurance companies rely on itemized bills to process claims and determine how much to reimburse.

Goodbill

John Doe
123 Main St.
Chicago, IL 09876

Guarantor ID:
Statement Date:

Patient: John Doe
Hospital Account: 5678910

Admission Date: 03/24/22
Discharge Date: 03/24/22

Current Hospital Account Balance: 1,001.09

Hospital Charges

Service Date	Rev Code	CPT@/HCPC S Code	Description	Quantity	Amount
03/24/2022	0300	36415	HB VENIPUNCTURE	1	49.00
03/24/2022	0300	82784	HB REF CELIAC SCREEN PANEL, GAMMAGLOBULIN-IGA (Q)	1	108.00
03/24/2022	0301	80053	HB COMPREHENSIVE METABOLIC PANEL	1	368.00
03/24/2022	0301	82306	HB VITAMIN D 25-HYDROXY	1	228.00
03/24/2022	0301	82533	HB CORTISOL	1	255.00
03/24/2022	0301	82728	HB FERRITIN	1	173.00
03/24/2022	0301	83540	HB IRON LEVEL	1	95.00
03/24/2022	0301	84466	HB TRANSFERRIN LEVEL	1	72.00
03/24/2022	0302	86258	HB REF CELIAC SCREEN PANEL, GLIADIN IGA IMMUNOASSAY	1	122.00
03/24/2022	0302	86364	HB REF CELIAC SCREEN PANEL, TTG-IGA IMMUNOASSAY (Q)	1	225.00
03/24/2022	0305	85025	HB CBC WITH DIFFERENTIAL	1	144.00
03/24/2022	0324	71046	HB-XRAY EXAM CHEST 2 VIEWS	1	793.00
Total hospital charges:					2,633.00

Hospital Payments and Adjustments

Date	Description	Amount
03/30/22	Blue Cross Blue Shield BLUE CROSS UPP PAYMENT (INS) Patient Responsibility - 1-Deductible Amount: 1,061.09	-1,571.91
03/24/22	PRE-PAYMENT	-80.00
Total hospital payments and adjustments:		-1,631.91

A good itemized bill

Medical Records

- Documentation of every test or treatment you received.
- **IMPORTANT!** The billing codes (from the itemized bill) are supposed to come straight from the **interpretation** of your medical records.

Goodbill

Patient Name
Patient Health Summary, generated on Jul. 27, 2022

Patient Demographics
Patient Address Communication Language Race / Ethnicity Marital Status

Note

Allergies

Medications

Active Problems

Social History

Tobacco Use	Types	Packs/Day	Years Used	Date

Alcohol Use Standard Drinks/Week

Last Filed Vital Signs

Vital Sign	Reading	Time Taken	Comments
Blood Pressure			
Pulse			
Temperature			
Respiratory Rate			
Oxygen Saturation			
Inhaled Oxygen Concentration			
Weight			
Height			
Body Mass Index			

Procedures

A medical record (MyChart)

Then Ask Yourself...

“Does the information reflect the *actual* care I received?”

Be Sure...

- Your insurance **properly paid** the bill.
- The bill was **priced fairly**.
- You're prepared to **negotiate** the bill!

Proper Payment

- Check the EOB to make sure the charges:
 - Are accurate.
 - Were accurately run through your plan.
- Contact your insurance carrier if you have questions.
- They can help you:
 - Uncover any inappropriate charges.
 - Identify whether any charges were even submitted to them for processing.

Fair Price

- You agree to pay for the care that's provided.
- But **NEVER** agree to **OUTRAGEOUS** prices!
- Federal regulations and the Internet have made it possible to research **healthcare prices**:
 - Negotiated insurance rates
 - Cash rates
 - Medicare rates

Negotiate

- *“If it’s not documented, it didn’t happen.”* - Contest anything that hasn’t been documented in your medical record.
- Armed with pricing information, contact the healthcare provider and negotiate a payment that satisfies both parties.
- Ask if there’s a **financial assistance** policy.
- If your bill situation is expensive and/or complex, consider hiring a **patient advocate**.

Additional Resources

Proper Payment

- [Understanding Your Explanation of Benefits \(EOB\)](#)
- [How to Notice and Avoid Errors on Your EOB](#)
- [Learn About Insurance Codes to Avoid Billing Errors](#)

Fair Price

- [FAIR Health Consumer Healthcare Bluebook](#)

Negotiate

- [Goodbill](#)
- [Umbr Health Advocacy](#)
- [National Association of Healthcare Advocacy](#)

Strategy #6

Invest in your health literacy.

Many Working Americans...

- Don't understand the 4 **barriers**.
- Needlessly pay **hundreds (or thousands)** of dollars in out-of-pockets costs every year.

You're More Than a Patient...

- You're a consumer!
- Health literacy promotes “consumerism”:
 - Quick access to information.
 - Reviewing and understanding the information to make good buying decisions.

Strategy Recap

1. Master the fundamentals.
2. Cost-effective plan features...use them!
3. If you can schedule it, you can shop it.
4. Prevent high ER bills with these 29 words!
5. NEVER pay the first bill!
6. Invest in your health literacy.



The Path Forward

How can we best serve you?

Next Steps: Remember LAS (Vegas!)



Learn

- About & test drive a groundbreaking B2B health literacy app (courtesy of our partner Quizzify)
- 60-day risk-free trial
- <https://play.quizzify.com/quiz/9714?kauzmo>



Apply

- For a free consultation
- Healthcare & non-healthcare related areas
- info@kauzmo.com
- Subject line: "Complimentary Consultation"



Suggest

- Topics for a future training.
- info@kauzmo.com
- Subject line: "Suggested Topics for Future Training"

Q & A

