



Finding Coverage Gaps in Health Insurance Policies: Ten Tips

- 1) ***Request a copy of the entire insurance contract and read it before you purchase the health insurance policy,*** or choose it from your employer. Simple descriptions and comparison charts will not allow you to understand the limitations of the policy. Your life may someday depend on a well-informed decision.
- 2) ***Identify exceptions to the rule before you become sick or injured.*** Read the fine print, the footnotes, and all exception clauses to health insurance coverage. Exceptions exist in every health insurance policy, but some, like those that include medical savings accounts, give policyholders more control over dollars and decisions.
- 3) ***Carefully read the criteria for determining medical necessity.*** Coverage decisions revolve around the insurer's definition of medical necessity. Although the policy covers many procedures and various lengths of stay in health care facilities, the insurer may not rule your procedure or your stay "medical necessary."
- 4) ***Know the rules about prior authorization.*** Some insurers require authorization even in the midst of emergencies. Some require it for certain procedures or above certain costs. Failure to get permission for treatment may mean that your insurance coverage no longer applies to that episode of care, regardless of the expense.
- 5) ***Realize that all staff at a network-approved hospital may not be part of the network.*** Services provided by a non-network practitioner may allow the insurer to deny payment for the services, even in an emergency.
- 6) ***Know the process for appealing a denial of coverage.*** How many steps are in the process and what is the maximum number of days an insurer may wait to respond at each step? If the process is long, realize that you may have to pay out-of-pocket to obtain care while you appeal the decision.
- 7) ***Call the network's clinics and doctors before you purchase a policy.*** The insurer's network may have fewer doctors than the network list indicates. The list may be out-dated, doctors may have left the network, doctors may not be accepting new patients, or doctors may specifically not be accepting Medicaid or Medicare patients. With fewer doctors available, you may have to pay higher emergency room costs to get timely care.
- 8) ***Read rules about access to specialty care.*** Find out if access requires a referral and if access includes referrals outside the network at no cost or extra cost. Find out how many specialists are available through the insurer's network, and if all specialists listed in the network are still available. If specialists are limited, the wait to see a specialist may jeopardize your health, or require you to go out of the network and pay more.
- 9) ***Request a copy of the insurer's drug formulary (list of approved medication).*** Not all drugs are available in all insurance plans. Ask about the procedure for requesting coverage of a drug not listed on the formulary.
- 10) ***Realize you may have to pay more than your deductible to reach your deductible.*** In traditional indemnity insurance plans, payment toward your deductible is based on the "usual, customary and reasonable" price of a service. Regardless of what you pay for care, only the UCR portion of a payment will apply to the deductible. Therefore, if the UCR of a test is \$100, and the cost is \$150, only \$100 will be applied even if you paid \$150.