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Web Exclusive: Medical Insurance and Financial Assistance for the Cancer Patient

BY THE AMERICAN CANCER SOCIETY

As a cancer patient, you have several financial resources available to you, including health insurance, government programs, disability benefits, services furnished by voluntary organizations and living benefits from life insurance policies, including viaticals. If you have no medical insurance, other options are available.

Medical Insurance

Medical insurance with the medical costs associated with the diagnosis and treatment of illness. It is important to have and keep good medical insurance. This can help you avoid financial hardship. Many patients have private insurance through employee group plans or individual plans. It is important to have accurate information and a good understanding of your financial situation and insurance coverage. It is extremely important to pay your monthly insurance premiums.

There are several types of health insurance plans. Here are very brief descriptions of the different plans:

> **Fee-for-service plans:** If you have this type of health insurance, you can choose any doctor, change doctors any time and you can go to any hospital anywhere in the United States. You pay a monthly fee, called a premium. Every year, you have to pay a certain amount of money (known as the deductible) before your insurance will pay your medical expenses. After you have met your deductible, your insurance will pay a set percentage of the bill. You may have to fill out forms and send them to your insurer to get reimbursed for your medical costs. Sometimes the doctor's office will do this for you. You also need to keep receipts for drugs and other medical costs. You are responsible for keeping track of your own medical expenses.

> **Health maintenance organizations (HMO):** The HMO will usually cover most expenses after a minimal copayment. HMOs may also limit your choice of providers to those within their approved provider network.

> **Point-of-service plans (POS):** A point-of-service plan is a type of HMO. The primary care doctors in a POS plan usually make referrals to other doctors in the plan. If your doctor refers you to a doctor out of the network, the plan will still pay all or most of the bill. If, however, you choose a doctor outside the network and the service is covered by the plan, you will have to pay coinsurance.

> **Preferred provider organization (PPO):** The preferred provider organization is a combination of traditional fee-for-service and an HMO. Like an HMO, there are only a certain number of doctors and hospitals to use. When you use those doctors (sometimes called “preferred” providers, other times called “network” providers), most of your medical bills are covered.

There are many expenses associated with the management of most cancers. Some insurance plans provide for additional coverage under a “catastrophic illness” clause. These are policies that cover major medical care needs. The policies usually have a very high deductible and fairly low premiums. They are useful when a person’s primary medical policy has a limited lifetime limit and are appealing to people with chronic illnesses. Check to see if your plan contains such coverage.

If you are a cancer patient and join a new health insurance plan, you may face a “pre-existing condition exclusion period.” A pre-existing condition is a health problem that you had before you joined your medical plan. When this is the case, your plan will make you wait before they pay the costs of the pre-existing medical problem. The wait may be as long as a year. Hospitals, clinics, and doctors’ offices usually have someone who can help you complete claims for insurance coverage or reimbursement. A case manager or a financial assistance planner may be able to help guide you through what can often be a complicated process.

There are some health insurance policies that pay a fixed amount for each day a person is hospitalized. There is usually a limit on the total number of hospital inpatient days that are covered in a calendar year. The money received from a hospital indemnity policy can be used as the insured wishes, but it is often used for the other expenses that families face when one member is ill.

If you are trying to decide among several insurance or managed care options, sometimes there is an opportunity to assess coverage during open enrollment periods. The Association of Community Cancer Centers www.accc-cancer.org has a website that has information that can help you.

Suggestions for managing your medical insurance:

> Do not allow your medical insurance to expire. Pay premiums in full and on time. It is often difficult to get new insurance.

> Become familiar with your individual insurance plan and its provisions. If you think you might need additional insurance, ask your insurance carrier whether it is available.

> Submit claims for all medical expenses even when you are uncertain about your

coverage.

- > Keep accurate and complete records of claims submitted, pending and paid.
- > Keep copies of all paperwork related to your claims, such as letters of medical necessity, bills, receipts, requests for sick leave and correspondence with insurance companies.
- > Get a caseworker, a hospital financial counselor or a social worker to help you if your finances are limited. Often, companies or hospitals can work with you to make acceptable payment arrangements if you make them aware of your situation.
- > Submit your bills as you receive them. If you become overwhelmed with bills, get help. Contact local support organizations, such as your American Cancer Society or your state's government agencies, for additional assistance.

Getting Answers to Insurance-Related Questions

Questions about insurance coverage often come up during treatment. Here are some suggestions for dealing with insurance-related questions:

- > Speak with the insurer or managed care provider's customer service department.
- > Ask the team social worker for help.
- > Talk with a hospital financial counselor.
- > Talk with the consumer advocacy office of the government agency that oversees your insurance plan.
- > Learn about the laws regarding insurance that protect the public. The Agency for Healthcare Research and Quality has a section entitled "Checkup on Health Insurance Choices" that may provide you with helpful information as a healthcare consumer. You can access this at www.ahrq.gov.

Keeping Records of Insurance and Medical Care Costs

It can easily become overwhelming to keep track of the bills, letters, claim forms and other papers that begin flowing into a household after a cancer diagnosis. Keeping accurate records of medical bills, insurance claims and payments will help families manage their money better and keep their stress levels lower. Some families already have a system for handling their finances and records and only need to expand their system and create new files. Others may have to develop strategies for handling the volume of paperwork. Record-keeping is also important for those who wish to take advantage of the deductions available in filing itemized tax returns. The [Internal Revenue Service](http://www.irs.gov) can provide information and free publications regarding tax exemptions for cancer treatment expenses. Keep records of the following:

- > medical bills from all healthcare providers

- > claims filed
- > reimbursements (payments from insurance companies) received and explanations of benefits
- > dates, names and outcomes of contacts made with insurers and others
- > non-reimbursed or outstanding medical and related costs
- > meals and lodging expenses
- > travel (including gas and parking)
- > long-distance telephone calls related to medical or other types of care, including psychosocial care
- > admissions, clinic visits, lab work, diagnostic tests, procedures, treatments
- > drugs given and prescriptions ordered

Here are some helpful suggestions for record-keeping:

- > Decide who will be the family record-keeper or how the task will be shared.
- > Seek the help of a relative or friend, if necessary. This may be especially important for people who are single.
- > Set up a file system in a file cabinet, drawer, box or loose-leaf notebook.
- > Check all bills and explanations of benefits paid for accuracy.
- > Review bills promptly after receiving them.
- > Pay bills by check if possible so that you will have a record of payment.
- > Save and file all bills, payment receipts and canceled checks.
- > Keep a daily log of events and expenses; a calendar with space for writing is useful.
- > Maintain a list of team members and all other contact persons with their phone and fax numbers.
- > Find out from the IRS what is tax deductible.

Problems Paying a Medical Bill

Many people have periods when they find it difficult to pay their bills on time. Most hospitals and agencies are willing to discuss and help resolve these problems. To maintain a good credit rating, it is important to pay attention to notices that state that a bill will soon be turned over to a collection agency. Families can:

- > Explain the problem to the hospital or clinic financial counselor or doctor's office secretary.
- > Work out a payment delay or an extended payment plan.

- > Talk with the team social worker about sources of temporary help.
- > Consider letting relatives or friends help out with money on a temporary basis.

Handling a Claim Denial or Refusal to Cover a Prescribed Service

It is not unusual for particular claims to be denied or for insurers to say they will not cover a test, procedure or service that doctors order. If this occurs it is important to have a working relationship with a customer service representative or case manager with whom the situation can be discussed.

A first step should be to resubmit the claim, sent with a copy of the denial letter. It may be necessary for the patient's doctor to explain or justify what has been done or is being requested. Sometimes the test or service only will need to be "coded" differently. If questioning or challenging the denial in these ways is not successful, then you may need to:

- > Postpone payment until the matter is resolved.
- > Resubmit the claim a third time and request a review.
- > Ask to speak with a supervisor who may have authority to reverse a decision.
- > Formally appeal the denial in writing, explaining why you think the claim should be paid. Team members may be able to help with this.
- > Request a written response.
- > Keep all originals of correspondence in your possession; the team may be able to help you make copies if necessary.
- > Keep a record of dates, names and conversations you have about the denial.
- > Seek help from the consumer services division of your state insurance department or commission.
- > Be persistent in trying to resolve the matter.
- > Consider legal action.

For the full article on issues of insurance and cancer, visit the American Cancer Society at www.cancer.org

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