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WSPY, Your Life Matters, Health Insurance Puzzle

- Mike Williams And it's time now for, **Your Life Matters** with **Clinical Social Worker, Dr. Beth Placketka** from **Safe Harbor Counseling** and **Dr. Beth Speaks** and welcome in this morning, Dr. Beth. How are we doing?
- Dr. Beth Placketka I'm fine Mike. How are you?
- Mike Williams We're doing alright.
- Dr. Beth Placketka Good to see you.
- Mike Williams Yes, same here and we got a topic that's pretty important, pretty essential for a lot of folks and can be a little confusing at times to especially when you get to a new years and some things change and all the rest of that. We're talking health insurance today and it can be complicated.
- Dr. Beth Placketka Absolutely and when I notice this is when clients call or potential clients call, they often don't know what's going on and the acronyms that the health insurances use are kind of confusing so I thought today I would kind of go over what those things mean. And obviously the clients can look online and see both the written transcript and listen again if they have any questions or the listeners could do that, but I think it's important because sometimes people end up with huge bills and they're very surprised.

Mike Williams And they might to have a plan that's OK and then they could shift to a better plan but they don't realize it when the year changes, and they're just kind of misinformed or they are uninformed, whatever the term may be because there are so many different changes and things that maybe they're not aware that they could take advantage of. And it can be confusing and hard to pick the best fit for their needs.

Dr. Beth Placketka Exactly so I'm not going to recommend anything I'm just going to explain it, and I think it's important when people are signing up they know what it means. So right now it is going to be kind of like the terms. We're going to talk about the first thing that people usually do is choose between a PPO and a HMO. Now I think it's important to know that a PPO stands for a Preferred Provider Organization. So what that means is that a group of providers have agreed to work with an insurance company which ever insurance company it is or multiple companies for a specific amount. And that's called in network benefits so if you've made that contract, you're eligible to get in network benefits. What that means then is that the preferred provider, you can go anywhere you want with any one of those providers you don't have to stick with just one group. You don't have to go to any of the big names of industries. It's a little more expensive usually, but it gives you that choice.

HMO is a health maintenance organization in that case, the insurance company has contracted with an organization to provide all your needs. So if you think of a family who has kids getting shots, lots of wellness checks, lots of serious injuries that a specific organization couldn't take care of, that is less expensive, usually there's a standard fee like maybe \$10 or \$15 and often people will do that but what that also means is there are no benefits. I am not a HMO because I have to be an organization, so if somebody came to me with that benefit, unless their doctor wrote a note and said yes we will pay for this person to go here. They'll get no benefits. They would have to pay out of pocket. And the way organizations work is, if they offer the service, they don't usually write the script to say you can go somewhere else and it would have to be a very special occasion. It's less expensive. There's less choice. It is still good quality both places you just have to know. Some people have a health savings account. Now what that means is you don't pay taxes on the money that you put in into that account. So it goes in before taxes and it has to be used for medical or health issues so medicines, visits, shots, treatments, those kinds of things. The thing about health savings accounts is that it rolls over from year to year. So let's say that you put in \$1000 and you had a healthy year. OK, the next year that \$1000 is in there and you can put whatever the government says is OK for the individual or the family because it's determined by a law.

Mike Williams HMO is a health maintenance organization in that case, the insurance
Ok that sounds good.

Dr. Beth Placketka Yeah! Flexible spending is also pretax dollars that are deposited into a special account and can be used for health care, child care, and sometimes if you have a disabled family member. That is determined by the contract, but that must be used within the year. So if you don't spend it, you lose it. So people and again that's determined you can't just put any amount.

The next thing that sometimes confuses people and it varies so widely from policy to policy and employer to employer is the amount that the client has to pay before any further benefits are provided. That's called the deductible. One person yesterday told me they had a \$1000 deductible. A year or two ago someone told me they had a \$16,000 deductible. Now that makes the policy cheaper and they initially...

Mike Williams Monthly!

Dr. Beth Placketka Right but it makes it a little bit more expensive. So it's just good to know what that is.

Dr. Beth Placketka So the co-pay is the amount that is paid by the client after the deductible was paid, it is paid at the time of service and is always the same amount. So it might be \$20. Some people have \$30. It was whatever was agreed on. Co-insurance is the amount paid by the client after the deductible is paid and it's paid according to whatever the insurance pays. It's like a percentage. It varies so you would get a bill for coinsurance because the provider wouldn't know that unless they were told in advance.

Mike Williams Co-pay, same amount, co- insurance that varies.

Dr. Beth Placketka That varies because it's a percentage of whatever you have been charged for the service.

Mike Williams Alright.

Dr. Beth Placketka Now here's an interesting thing you know sometimes people have two plans. Spouses work in different places. In one let's say the husband works in one place. He's the primary, beneficiary and the wife works in another place and she's a primary on that one but they're also covered by each other's plans. So you have to be sure to let whoever is billing, providing the service know that you have both of those because it goes first to the primary and then it goes to secondary. Sometimes people will get confused. They think, OK I've got two insurances it should all be covered. You can't count on that. So it gets really confusing for people and it feels sometimes like, it's anxiety provoking, it feels overwhelming. So I always say you're paying the fee to the insurance company, call them. The number is on the back of the card. The customer service people are knowledgeable and if the one you get seems confused or you get confused by them just ask for another person. Tell them I not sure I get this could I talk to somebody else. Take notes. Write it down to avoid getting that huge, huge bill because you didn't know that your deductible was super high.

Mike Williams You don't want that. That's a rude awakening.

Dr. Beth Placketka Right! Right! And at this time of year often things change but you probably agreed to it in October so who remembers that. So I really like always when I talk to new clients or potential clients ask them about that stuff but I also like people to periodically check and see, where am I at and if you don't know how much you have paid towards your deductible and you call the customer service, they'll tell you.

Mike Williams That's good. Knowledge is power.

Dr. Beth Placketka It absolutely is! And we are going to have a link on the website that will direct people where they can read about health insurance as well.

Mike Williams Well that's all the time we have for today's show. That website by the way is safeharboril.com and we invite you to join us next Monday morning for **Your Life Matters**. It's with **Clinical Social Worker, Dr. Beth Placketka** from **Safe Harbor Counseling** and **Dr. Beth Speaks**.

