

How do I know how much I owe for my medical care?

The best place to find out how much you are responsible for is on the “Explanation Of Benefits”, often referred to as an EOB. Each insurance company will have their own format but each will give you important pieces of information like the date of service, charge amount, allowed amount, deductibles, copays, coinsurance and member reasonability.

An important part of knowing how much you will owe your doctor, is understanding if they are in the insurance companies network of providers. Doctors and hospitals that participate in insurance company networks are often referred to as “Preferred” or “Participating” providers. They agree to file claims on your behalf and more importantly they agree to accept the insurance company “allowance” rather than bill for their full charge. A non-participating provider will bill for their entire charge and hold you responsible for any balance not paid by your policy.

Here is a short example of how this could affect you:

Dr. Smith’s office charge was \$150.00 - Dr. Smith is a participating provider with ABC Insurance company.

ABC Insurance company allowed \$100.00 for the office visit and pays the benefit at 80%. This leaves a coinsurance of \$20.00 that the member would be responsible for. The \$50 difference between the charge and the allowance is “written off” by the doctor’s office.

Dr. Jones is a non-participating provider across the street; he also charges \$150 for an office visit.

ABC Insurance company allowed \$100.00 for the office visit and pays the benefit at 80%. This leaves a coinsurance of \$20.00 that the member would be responsible for in addition to the \$50 difference between the charge and the allowance. The total member responsibility is \$70.00 vs. the \$20 at a participating provider.