

# 6 Ways to Become a Savvy Healthcare Consumer in 2020

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When you're buying a car, you shop for features, safety data and a price that fits your budget, right? Likewise, if you want good healthcare, there is more to consider than just the cost. Here are six ways a savvy healthcare consumer gets the most out of health insurance:

## 1. They take responsibility for personal health.

Health, wellness and the ability to control medical costs depend on more than good genes and a big bank account. Consider these activities that will work in your favor:

- Achieving a healthy weight; eating a nutritious diet
- Exercising regularly
- Getting adequate sleep
- Managing stress
- Getting an annual physical and age-appropriate health screenings
- Taking prescribed maintenance medications
- Using health insurance benefits properly—more on this in a minute

Even if you're diligent about health, issues can crop up like diabetes, high blood pressure or high cholesterol. Learning about a hidden condition in its earlier and more treatable stage—and taking steps to manage the situation—can help minimize future problems and save healthcare costs.

Consider your mental health too. Don't be embarrassed to seek help when you need it; it's okay

to not be okay. Many employer-provided health insurance plans have employee assistance programs (EAPs) with access to mental health resources.

## 2. They know the mechanics of their health insurance plan.

*Question:* What's the easiest way to understand what's in your health insurance plan?

*Answer:* Attending your employer's annual open enrollment information meeting. That's where you'll learn the difference between plan options, how much your premium will cost per paycheck, as well as copay and coinsurance dollars before you enroll.

Unfortunately, there's a huuuuuge knowledge gap when it comes to using health insurance efficiently. [A survey of U.S. adults](#) with insurance through their jobs revealed that only 14% of them understood basic benefits terms. The majority were clueless about copayments, coinsurance, maximum out-of-pocket spending and deductibles.<sup>1</sup> Understanding these terms and the cost associated with each activity is central to achieving savvy healthcare *consumerism*. OK, that's not a real word, but you get what we mean. 😊

Here are the terms you really need to know:

- **Deductible:** how much you pay *before* health insurance starts covering a portion of the cost of care.
- **Out-of-pocket maximum:** the highest amount you could be responsible for paying in a given health insurance plan year.

- **Copays for medical visits:** up-front payments that can vary greatly for visits to a primary care physician, a specialist, an urgent care center and the emergency room.
- **Copays for prescriptions:** ditto for name-brand, generic and specialty—copays can vary widely for these drug categories.
- **Coinsurance:** the percentage of costs of a covered healthcare service you pay (20%, for example) after you've met your deductible.

Also, be aware that mental health or other services such as physical therapy may have their own copays, pre-authorization requirements from the insurer and a maximum number of visits the plan will cover. (Recently I had to confirm pre-authorization for physical therapy sessions that my doctor ordered for me—a quick call to the insurance company did the trick).

Don't forget that your health plan likely *requires* the use of in-network doctors, testing facilities and hospitals...or you'll get stuck with a big bill and a major headache.

### 3. They know about additional services and tools.

Many employers offer tools that can give you personal assistance if you encounter an issue with an insurance claim, help you get healthcare faster and compare treatment costs. Examples:

- **Benefits advocacy and support.** Specialized insurance experts—like my company's [BenefitsVIP®](#) Employee Advocates—answer questions, and resolve medical claims and billing issues on behalf of the insurance user. *Our support center resolves 82% of inquiries within 24 hours.*
- **Telemedicine.** This is a doctor's visit via video conference for non-emergency healthcare (fever, pink eye, colds, rashes, management of chronic conditions) and follow-up. Telemedicine is typically cheaper (and often faster) than getting treatment at an urgent care center or an emergency room. Another benefit: the doctor

won't know that you're wearing ratty pajama bottoms if you keep the computer camera pointed at your face.

- **Cost estimators.** Health insurance carriers often provide an online tool that allows comparison shopping for doctors, tests and treatments. Have you browsed your carrier's website lately? My company's mobile app uses [GoodRx](#) for Rx pricing research (also available online), leading me to tip #4....

### 4. They are proactive in controlling prescription drug costs.

One tip is to ask the doctor if there is a generic substitution for a prescribed brand-name drug. Another is to check your insurer's prescription drug "formulary," a list of covered medications. The formulary will be on the insurer's website (but you already knew that because you've already followed my suggestion to tour the insurer's website). You'll see drugs listed in tiers, usually with the cheapest (like generics) at the top, brand names in another level and specialty drugs in still another. Also:

- **Check for preferred pharmacies.** Some health insurance plans have preferred pharmacies where buyers are charged a smaller copayment.
- **Consider using mail order.** You may be able to get a better price by using a mail-order service or arranging to get prescriptions three months at a time for a discounted copay.

### 5. They keep an eye on medical bills.

Medical billing is complicated. Like a flu-laced sneeze in a public place, an unexpected bill can make you feel terrible. Here's a scenario: You visit your primary care physician for an annual wellness exam. There's no copay for a wellness exam but the doc's office codes the appointment as a "sick" visit, which would have triggered an upfront copay. The doc's office sends the bill with the wrong code to the insurance company. The doc's billing person eventually notices that you didn't pay the copay, so sends a bill. The insurer receives the bill from the doctor and determines what to pay (according to your healthcare coverage, but based on the wrong code). You call the doctor's office

to ask them to correct the bill but get the voicemail instead of a live human being. Because the doctor's billing person never checks voicemail, he sends your "overdue" bill to collections. NOT NICE.

If something looks wrong with a medical bill, contact the provider's billing office and your health insurer. If you can't get the doctor's office billing employee on the phone, pay a visit in person. If your employer offers an employee advocacy service like BenefitsVIP described above, an advocate will contact the doctor and insurance company on your behalf. Oh, what a relief it is...

If you receive a document that says, "This is not a bill," it's likely an explanation of benefits (EOB) from your insurer. For more information on EOBs, read our article, [Health Insurance 101: How to Decode the Explanation of Benefits](#).

#### **6. They ask the doctor the right questions.**

Did your doctor order a procedure or a test during your last visit? Savvy healthcare consumers ask:

- Do I really need this test or procedure?
- What are the risks and side effects?
- Are there simpler options?
- What happens if I don't do anything?
- How much does it cost and will my insurance pay for it?

Again, call the health insurance company for pre-authorization before scheduling an appointment for a procedure, like surgery, or a test like an MRI or a CT scan. And make sure the provider is an in-network facility.

Similar to buying a car, purchasing health insurance that's right for you requires time and careful research. Using your benefit plan, and making sure you're paying the right amount for the services you receive, requires an understanding of common insurance terminology. Now you have the tools to put yourself in control of your wellbeing. Here's to your health in 2020!

<sup>1</sup>[Journal of Health Economics, "Consumers' Misunderstanding of Health Insurance"](#)

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