



How to Stretch Your Health Care Dollar

As health care costs continue to rise, it is increasingly important for you to take an active role in decisions about your health and the care you receive.

At the Doctor's Office

- Ask your physician questions, and be certain you understand the information completely.
- Keep records of all appointments and outpatient visits. Include the provider's name, procedures and tests performed, as well as medications received or purchased.
- Keep track of any Explanation of Benefits you receive, and compare them to your receipts and invoices.

At the Hospital

- Ask if the procedure can be performed in an outpatient setting.
- Request a semi-private room, rather than a private one.
- Know the difference between urgent care and emergency care in order to avoid unnecessary trips to the ER.

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Health Care Cost Drivers

It's no secret that health care costs are rising faster than they ever have before. A number of factors contribute to these increasing costs. A few of the biggest contributors to rising health care expenses are explained below.

Chronic Care

Our health care system is primarily geared toward providing acute care or curing diseases. However, many people need care for chronic conditions (such as diabetes or obesity), which are major causes of illness, disability and death. Chronic conditions also account for a 78 percent of U.S. health care spending.

According to the U.S. Department of Health and Human Services:

- 125 million Americans have a chronic condition. This number is expected to increase to 157 million by the year 2020.
- Almost half of the people who suffer from a chronic condition have multiple chronic conditions.
- Most of those who suffer from a chronic condition have more than one physician.

New, Expensive Medical Technology

New medical devices, diagnostic tests and medical imaging tools are enabling doctors to deliver care that would have been considered impossible in years past. Medical technology, just like pharmaceuticals, has revolutionized medicine and improved the lives of many people. However, these advances come with a price tag. As the number of older Americans increases, so does the need for these new devices and treatments. The Robert Wood Johnson Foundation asserts that technology accounts for one-half to two-thirds of the growth in medical spending.

Increasing Pharmaceutical Use

Part of the reason health care costs continue to rise is due to an increased use of prescription drugs, as well as an increase in the number of new, expensive prescription drugs that are developed. Undoubtedly, prescription drug manufacturers have revolutionized modern medicine and improved the lives of countless individuals; however, as with prescription drugs, these advances come at a cost.

As pharmaceutical companies develop
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new drugs to treat serious medical conditions, the market for those drugs expands accordingly. The direct-to-consumer advertising of “lifestyle” drugs, such as those that treat hair loss, obesity or impotence, has encouraged consumers to ask their doctors to write prescriptions for these medications.

Specialists

Several studies have shown that areas with higher numbers of physicians who are specialists generally have higher spending. Research also shows that states with more specialists per capita have higher spending but lower quality care. Often, patients who visit specialists have higher rates of prescriptions, testing, and hospitalization—all of which increase the overall cost of health care.

National Health Care Spending

- National health care spending is expected to rise to \$4.2 trillion by 2016. By comparison, the United States spent \$1.1 trillion in 1997.

- In 2010, the United States spent 17.9 percent of its gross domestic product on health care. That figure is expected to rise to 25 percent by 2025.
- Health care spending is over four times the amount spent on national defense.



- The U.S. spends six times more per capita administering health care than comparable Western European nations.
- In 2011, employer health insurance premiums increased 9 percent, which was three times the rate of inflation. ◇

Sources: National Coalition on Health Care, U.S. Congressional Budget Office; The Robert Wood Johnson Foundation; U.S. Government Accountability Office; U.S. Department of Health and Human Services; Agency for Healthcare Research and Quality; The New York Times

Usual and Customary Fees

A usual and customary fee is defined as the charge for a medical service or procedure that is in line with the average rate or charge for identical or similar services or procedures, in a specific geographical area.

Health plans often analyze national fee statistics to determine a usual and customary fee that they will reimburse a provider for a specific medical service. When you submit a claim for a specific treatment or service, the insurer will pay all or part of the claim, depending on whether the amount of the claim is within the usual and customary range.

Health plans are aware that fees charged by providers can vary depending on medical complications and underlying medical factors that may not be apparent by looking at a claim. To appeal a usual and customary determination, you should ask your provider to provide all pertinent medical records to your health plan along with a letter explaining the circumstances that support their fee. Often, health plans will adjust their payment determinations in your favor after they receive additional supporting information.



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At the Pharmacy

- Ask if an over-the-counter medication would work as well as a prescription.
- Ask for a generic version of any brand name medication.
- When your doctor writes the prescription, ask if you are able to split higher-dose pills as opposed to receiving more pills in a lower dose. This may result in significant savings.

With Your Health Plan

- Submit claims on time and keep copies of them.
- Get an itemized bill for any hospital stay, and check it to ensure it reflects the care you've received.
- Keep a record of your interactions with any billing representatives.

Your Body

- Eat a healthy diet.
- Manage your weight.
- Stay physically active.
- Do not smoke. ◇

