



COMPASSION*WORKS MEDICAL, LLC.
MEDICAL REIMBURSEMENT SPECIALISTS

Ph. (973) 832-4736 · Fax. (973) 337-1223 - WEB: www.compassionworksmrs.com



TIPS FOR INSURANCE COVERAGE

BASICS

- ✓ **In-network:** Providers that participate with your plan.
 - ✓ **Out-of-network:** Providers that do not participate with your plan
 - ✓ **Deductible:** Amount that you **must** pay before the insurance kicks in.
 - ✓ **Out-of-Pocket:** A predetermined amount of money for a chance to increase your insurance to 100%. It can be a bit confusing with the deductible. The good news is that you don't have to meet any amount before your coverage kicks in. Sometimes confused with deductible.
-

WHAT IS A PRE-CERTIFICATION ALSO KNOWN AS PRIOR AUTHORIZATION?

- ✓ **Pre-certification** serves as a utilization management tool, allowing payment for services and procedures that are medically necessary, appropriate and cost-effective without compromising the quality of care to you.
 - ✓ Pre-certification for medical foods must be approved before your insurance will cover.
-

WHAT IS A GAP EXCEPTION?

- ✓ **What is a Gap Exception?** It is asking permission from your insurance carrier to use a particular provider that is out-of-network and getting the same benefits as the in-network level.
 - ✓ **How can I request for a Gap Exception?** Usually your out-of-network provider will make the request. It is based on no other comparable providers that can provide the requested service within 30 miles of your residence proximity.
-



WHAT IS AN ALLOWED AMOUNT?

- ✓ **Allowed Amount:** Maximum amount on which payment is based for covered health care services. This may be called “eligible expense,” “payment allowance” or “negotiated rate.” If your provider charges more than the allowed amount, you may have to pay the difference.
- ✓ All of us with health insurance think that 100% is covered in full, or even 80%, 70%, 60%, 50% we think they pay the full percentages. Right??
- ✓ The answer is “NOT typically”, this is how it works. Example: The **Allowable Charge** is typically a discounted rate rather than the actual charge and considered payment in full from your insurance company and the supplier.
- ✓ **Out of network providers:** If, however, the supplier you purchased your medical foods from is not a network provider with your insurance company, then you "might" be held responsible for everything that your health insurance company will **not pay**, up to the full charge of the bill. This is your responsibility!
- ✓ You can check the charges, allowed amount and your patient responsibility from your **EOB** (Explanation of Benefits). A statement, “not a bill” provided by your insurance company. Or you can ask for a copy from your provider.
- ✚ **It may be helpful to consider an example:** You have just purchased your medical food. The total charge for the medical food comes to \$100. If the provider is a member of your health insurance company's network of providers (**in-network**), they may be required to accept \$80 as payment in full for the medical food. If the supplier is out-of-network, then you are responsible for the \$80 - **this is the Allowable Charge**. Although, some out-of-network providers will work with you and your budget. It's a matter of simply asking.
- 📌 **Why is my charge for my medical food/formula on my EOB so high? The charge is listed on the EOB: Don't Panic!** The charges on your EOB may be different from then the charge that you will get from your provider (i.e. DME). Providers that supply medical foods charge more to the insurance carrier to prevent low cost reimbursement and prevent sending a bill to the patient. This is **not** your bill, it's just a statement on your EOB. If you receive a bill from your provider, the charges should **be a lot less**. Talk with your provider about working with your insurance carrier and out-of-pocket expenses to help you afford and stay on diet.