



### “Understanding Medical Insurance In-Network vs. Out of Network”

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Being unprepared for a medical emergency can cost you thousands of \$\$ out of pocket.

There isn't a day that goes by that there is a newspaper article or TV news clip that reports a person seeking emergency medical care, only to be hit with thousands of dollars of bills NOT covered by their insurance company.

Although it's true we can't predict a medical emergency, we can be proactive, do our homework and lessen the financial impact.

In many emergency situations a person or their family may seek help from a healthcare provider who is not in the person's provider network. Only to later say, “I didn't know they weren't in my network.”

I encourage every reader to contact your insurance company at least twice a year to make inquiries about what hospitals, surgery centers and urgent care centers are covered under their insurance plan.

If you have this information in advance, it may help steer you and your family in the right direction when an emergency strikes.

### **IN-NETWORK vs. OUT-OF-NETWORK**

When you selected your insurance company and read your policy, you most likely saw a section on “In-Network” and “Out-of-Network”.

How do these two networks affect your coverage, and how much you will have to pay out of pocket?

## ***IN-NETWORK***

A health insurance company compiles a group of doctors, hospitals, surgery centers, and other healthcare providers who have contracted with your insurance company; to provide their services at a pre negotiated price. These particular healthcare providers are referred to as your "Network".

Your network providers have agreed with your insurance company to accept a contracted rate of reimbursement for services rendered. This fee includes how much the provider will receive from your insurance company, plus how much you as the patient are responsible to pay out of pocket for your co-pay and deductible.

### **An example:**

Your doctor determines that you need a medical procedure.

You have already met your \$2500 individual deductible for the year.

The cost for your medical procedure is \$1000.

You have a \$40 co-pay for this service, and your insurance company pays the remaining pre agreed upon cost with the medical provider.

## ***OUT-OF-NETWORK***

The term "Out-of-Network" refers to doctors, hospitals, surgery centers, and other healthcare providers whom have not contracted with your insurance company, and therefore they have not agreed to provide their services at a pre negotiated reduced price.

These providers are considered to be Out-of-Network, and in most cases you will pay more money out of pocket to see an Out-of-Network healthcare provider.

### **Why?**

There are three possible scenarios which can leave you paying more out of pocket.

1. Remember that these providers have not contracted with your insurance company to provide a reduced set rate for services. These providers are able to charge you any fee they set.
2. If an insurance company covers Out-of-Network providers, they usually charge higher co-pays and deductibles for patients who use Out-of-Network providers.

The cost for services would depend on your specific insurance policy and the policy benefit terms.

### **An example:**

If a person receives services in their network per their insurance plan, this person would be responsible for a \$2500 individual deductible PLUS a \$30 copay for the service received.

If a person decides to use a provider who is not in their network per their insurance plan, after paying their deductible this person would be responsible to pay 30% of the allowed amount PLUS the difference between the allowed amount and provider's charge.

To see a more in-depth explanation visit

<http://fairhealthconsumer.org/reimbursementseries.php?id=15#sthash.XSjbbb5M.dpuf>

3. Some insurance plans do NOT cover any out of network services, which means that you would be responsible for the full cost of all services.

### **A WORD OF CAUTION**

It's important for you to know that just because your in network doctor refers you to another healthcare provider, this does NOT mean that these services will be covered by your insurance company.

Remember that NOT all doctors and healthcare providers are covered in your network.

Be sure to check with your insurance company before seeing any new healthcare providers.

### **HOW CAN YOU HELP PROTECT YOURSELF**

I strongly encourage all my clients and readers to do their homework, and check with their insurance company's website, or place a call to your insurance company twice a year.

Ask your insurance company several questions in advance of possibly needing services.

#### ***In my community or for the places where I travel:***

1. What Hospitals are covered in my plan?
2. What Urgent Care Centers are covered?
3. What Ambulatory Surgery Centers are covered?
4. What Skilled Nursing Facilities for short term rehabilitation services is covered?

Make a list of all of your covered providers to be kept in your wallet.

It's also a good idea to let family know what providers are covered, since they most likely will be the ones who will be helping you in the event of an emergency.

It is also a good idea to keep this information with your "File of Life", which I will be discussing in my next post.

### **URGENT CARE vs. THE ER**

It's important that you speak with your doctor to determine when it's appropriate for you to go to an walk-in urgent care center, and when you need the ER.

Often times a person goes to the ER, when their situation was not an emergency, and could have been treated in an urgent care center.

The cost of an urgent care center visit is usually considerably less than the emergency room visit.

### **An Example:**

- **Walk-In/Urgent Care Centers** - \$75 Co-payment per visit after you pay your Plan Deductible

- **Emergency Room** - \$150 Co-payment per visit after you pay your Plan Deductible

Keep in mind that most health insurance plans will NOT pay for an emergency room visit, if the visit is considered to be for non-emergency care.

### **POTENTIALLY BEING CAUGHT OFF GUARD**

As I suggested above, I believe it's important for my readers to check their provider coverage at least twice a year, or before traveling.

Before writing this article I went to my insurance company's website to review my In-Network providers. I checked the covered hospitals, ambulatory centers and urgent care centers.

I was surprised to find that the local urgent care center that had previously been covered, is no longer one of my In-Network provider.

Not only is this facility no longer in my network, but I learned that my insurance company no longer covers this facility as an Out-of-Network benefit either.

This could have been a potentially costly mistake for me, if I hadn't done my homework.

Photo from Microsoft

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*Please consult your health care provider for an appointment, before making any healthcare decisions or for guidance about a specific medical condition.*

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*Linda Ziac is the owner and founder of The Caregiver Resource Center. The Caregiver Resource Center is a division of Employee Assistance Professionals, Inc. which Linda founded in October 1990. The Caregiver Resource Center provides a spectrum of concierge case management and advocacy services for seniors, people with special needs and families.*

*Linda's professional career spans more than 40 years in the health and mental health field as a CT Licensed Professional Counselor, CT Licensed Alcohol and Drug Counselor, Board Certified Employee Assistance Professional, Board Certified Case Manager, and Board Certified Dementia Practitioner. In addition, Ms. Ziac has 15 years of experience coordinating care for her own parents.*

*Linda assists seniors, people with special needs and their families; in planning for and implementing ways to allow for the greatest degree of health, safety, independence, and quality of life. Linda meets with individuals and family members to assess their needs, and develop a Care Team, while working with members of the Team to formulate a comprehensive Care Plan (a road map). Once a plan is in place, Linda is available to serve as the point person to monitor and coordinate services, and revise the plan as needed. This role is similar to the conductor of an orchestra; ensuring that there is good communication, teamwork, and that everyone remains focused on the desired goal.*

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