

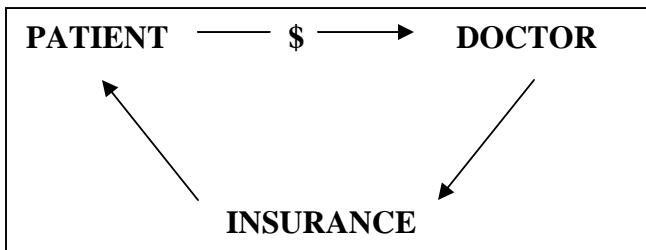
History of Insurance or 3rd party payers

In the beginning...people were responsible for their own health and wellbeing.



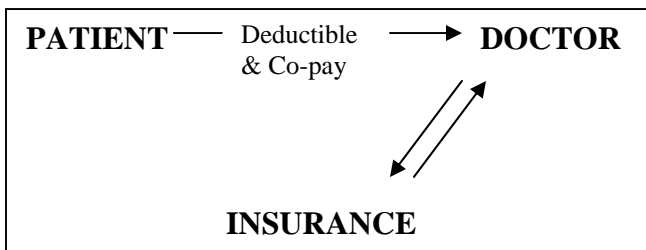
Patient — \$ → Doctor

Then came insurance... WHICH WAS GREAT because the patient was still responsible for their health and financial obligation with their health care provider. The patient would submit claims to their own insurance and were often reimbursed for what they had spent.



**Provides patient a Superbill or receipt to their insurance company for reimbursement.

Then there was another evolutionary step (or de-evolution in my opinion)



**Assignment of Benefits

Initially this seemed like a fantastic way to go. However, this was the first step in the outrageous rise in health care costs. It was also the beginning of the PSYCHOLOGICAL SHIFT of responsibility and value of one's own health.

Now the common thought is, "If my insurance doesn't cover I can't afford it."

Or "That sounds great doc but what does my insurance say?
Will they cover?"

Ultimately, we have always been and always will be responsible for our own health. Where did this dependency on some intangible entity come from? Our “health insurance” as it is called is really “disease management,” or “Crisis care insurance.” It functions great in that aspect.

Broken arm...great to have insurance.

Diabetes...great to have insurance.

Kidney stones...great to have insurance.

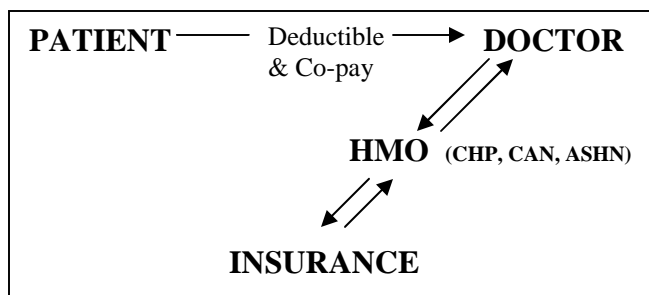
Heart attack...great to have insurance.

Does “Health” insurance pay to buy organic vegetables, gym fees, personal trainers, vitamins, or any type of preventative measure to help avoid diabetes or a heart attack?

NO. That is not their job. They are “Crisis care insurance.”

So, why is it so hard for individuals in this day and age to take charge of their own health and wellbeing? Budget for preventative measures? Spend time and money on exercise, vitamins, chiropractic, massage, and health food vs. junk food?

Now here is where it has gotten even worse:



****Assignment of Benefits**



- Health care costs or I should say, “crisis care costs” have sky rocketed. (More hands-in-the-pie complicates the recipe)
- Patients expect their insurance to pay for everything outside of their co-pay.
- Doctors have to bill higher rates because they have an entire billing department and all the expense that goes along with it in order to get paid.
- Insurance is in the business of making money so they often do not pay or delay payment.
- This creates more billing expenses thus increasing rates even more.
- The Insurance finally pays a reduced amount of what was expected or a reduced number of visits than were promised or quoted.
- **THEN...THEN THE PATIENT IS LEFT WITH A MUCH LARGER BILL THAN THEY WOULD HAVE HAD IF THEY WOULD NOT HAVE USED INSURANCE IN THE FIRST PLACE!**
- The really sick part of this is the patient is the one who loses and they often blame the doctor or their staff for the failures of the insurance carrier the patient themselves chose and contracted with.

- Ugh!

I have seen this time and time again. Even with insurance companies I am (was) a provider for. After verifying insurance they are allowed say 20 visits. Since billing lags behind services rendered, we would reach the 16th visit only to receive a letter that the insurance decided to stop paying after the 8th visit. Now that we have gone through the billing department and submitted everything to insurance the patient is left with the balance the insurance is refusing to pay. The patient is left owing more per visit than they would have had they just paid cash at the time of service!!

1. So, the patient stops getting the care they need.
2. The insurance company saves a few bucks (with this “bait and switch” tactic)
3. The patient now owes the doctor money.
4. The patient gets mad at the doctor because he has a bill.
5. It becomes a “lose, lose, win” scenario. (and it happens everyday!)

NOW AMERICA WANT TO REFORM SO EVERYONE HAS INSURANCE!?!

PLEASE!

(Let me share a personal experience. My last son contracted Spinal Meningitis (a bacterial infection around his brain and spinal cord) when he was just 2 days old. Our pediatrician was a friend and minimized his rates but the expense of the hospital, nurses, and antibiotics was over \$26000.00 Guess what. I didn't have insurance at the time. As I called the different departments of the hospital I explained I did not have insurance and the costs were huge. Could they please lower the costs to a “Cash price.” They did and it ended up being just over \$5000.00. THAT IS A HUGE DIFFERENCE. Now I may have received a little extra break since I work in the medical field but on average you should be able to save 50 to 60% by paying cash for your services and avoiding insurance and billing.)

A SOLUTION

Take Charge of Your Health! Put yourself back in the driver's seat and have the best of both worlds.

Insurance is great for a catastrophe. I recommend the following:

1. “catastrophic coverage” combined with
2. a “health savings account.”
3. Take preventative measures.

1. Purchase insurance with a high deductible, say \$5000 or more so you have a low monthly premium.
2. Use the difference in what you would be spending to invest in an 8% or better “health savings account.” You can deduct from this to pay your high deductible should you have an emergency. You can also dip into this for HEALTH related spending like chiropractic, massage, vitamins, acupuncture, gym fees, small injuries like stitches, etc and they are all 100% tax deductible as “Health Care Costs.”

This is the best part, **what you don’t spend will snowball with interest over the years building a potentially nice retirement account.**

3. Invest in your health rather than waiting for a crisis.
 - Take the time to read health oriented books and magazines.
 - Eat better.
 - Exercise regularly.
 - Take care of your spine and nervous system, they control everything in your body!
 - Supplement if necessary to get the nutrients you are missing in your diet.

Research has shown that preventative measures in our health and wellbeing are far less expensive and more successful than chasing a problem. Large corporations such as Walmart and Lowe’s are finding it costs them \$1 in prevention vs. \$3 in benefits for crisis management. Many corporations are making a shift in promoting health for their employees thus reducing their expenses on crisis care. They are still offering “crisis insurance” but it is costing them millions less when they are a more health conscious environment for their employees. WOW!

Don’t wait for corporate pressure (especially if you don’t work for a corporation). Take your health seriously. Think prevention!