



# TRANSFORMING LIVES

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# Facial Differences and Colorado Insurance Law and and Regulations

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# Topics We'll Cover

- Overview of the Health Insurance Market – Federal programs, Self-Insured, Fully-Insured Plans
- What you need to know in choosing health insurance – read the fine print
- Deductibles and copays - Make sure you understand them
- In-network vs. Out-of-network Benefits
- Working with State Insurance Regulators
- Obtaining approvals and dealing with denials and appealing your case

# Overview of the Health Insurance Market

- Federal health programs – Medicare, Medicaid, Tricare (military)
- Self-Insured Health Plans – Employer plans – subject to federal regulation
- Fully-Insured Health Plans – ACA compliant – individual and small group market
- Colorado as an example – varies by state

# What you need to know in choosing health insurance

- Determine if you are eligible for federal tax credits through your state exchange
- Shop for a plan based on your health care needs and costs
- Look at the provider networks closely – especially if you have a doctor you want to keep
- If you take specific medications, check plan prescription drug formularies to see what your cost sharing will be
- Do you want a stand-alone dental plan or a plan with dental benefits

# What you need to know in choosing health insurance

- A cheaper monthly premium can often be offset by higher overall health care costs
- Find a plan with a deductible and copayment/coinsurance structure that is good for you and your family
- Limited benefit plans/supplemental insurance are not a substitute for ACA-compliant health coverage
- Always read the fine print
- If it's "too good to be true" it probably is

# Deductibles, co-pays, and coinsurance

- Deductible: a specified amount of money that the insured must pay before an insurance company will pay a claim
- With a \$3500 annual deductible you must pay \$3500 in allowed charges before your insurance company will begin to apply your coinsurance – some preventive services must be covered at no cost sharing
- Some plans have separate deductibles for certain services, like prescription drugs
- Family plans often have both an individual deductible and a deductible for family members
- The medical deductible applies to dental benefits if the plan has embedded dental benefits

# Deductibles, co-pays, and coinsurance

- **Allowed Amount:** The maximum amount a plan will pay for a covered health care service. May also be called “eligible expense,” “payment allowance,” or “negotiated rate.” If your provider charges more than the plan’s allowed amount, you may have to pay the difference, also known as “balance billing”, depending on if the provider is in-network or not
- A provider may bill \$1000 for a procedure, but the carrier’s contract with that provider specifies they will pay \$500 – so \$500 would be the “allowed amount” on your Explanation of Benefits (EOB) form sent to you by the carrier
- Only “allowed amounts” are applied to your deductible and out-of-pocket maximum

# Deductibles, co-pays, and coinsurance

- Copayment: A fixed amount (\$20, for example) you pay for a covered health care service at the time of service, usually after you've paid your deductible.
- Your health insurance plan's allowable cost for a doctor's office visit is \$100. Your copayment for a doctor visit is \$20.
- If you've paid your deductible: You pay \$20, usually at the time of the visit.
- If you haven't met your deductible: You pay \$100, the full allowable amount for the visit.
- Certain preventive services and certain screenings are covered at no cost share – check with your carrier and check federal guidelines at <https://www.healthcare.gov/preventive-care-benefits/>

# Deductibles, co-pays, and coinsurance

Coinsurance: The percentage of costs of a covered health care service you pay (20%, for example) after you've paid your deductible.

Example - treatment for a serious condition. Allowable costs are \$12,000. Deductible: \$3,000, Coinsurance: 20%, Out-of-pocket maximum: \$6,850

You'd pay all of the first \$3,000 (your deductible). You'll pay 20% of the remaining \$9,000, or \$1,800 (your coinsurance). So your total out-of-pocket costs would be \$4,800 — your \$3,000 deductible plus your \$1,800 coinsurance. If your total out-of-pocket costs reach \$6,850, you'd pay only that amount, including your deductible and coinsurance.

# Deductibles, co-pays, and coinsurance

- Out-of-pocket Maximum: The most you have to pay for covered services in a plan year. After you spend this amount on deductibles, copayments, and coinsurance for in-network care and services, your health plan pays 100% of the costs of covered benefits.
- The out-of-pocket limit does not include:
  - Your monthly premiums
  - Anything you spend for services your plan doesn't cover
  - Out-of-network care and services
  - Costs above the allowed amount for a service that a provider may charge

# In-network vs. Out-of-network Benefits

- PPO Plans usually do have out-of-network benefits – but have higher deductible for out-of-network care
- HMO plans usually do not have out-of-network benefits
- This means that if you have an HMO plan and do not find a provider who is in-network for your child's care, or knowingly go out-of-network for care, you will likely be responsible for the full amount billed by your provider
- ALWAYS check with your carrier to see if your provider is in-network before receiving care – providers do not always know and networks change all the time
- When in doubt – call your carrier to confirm if a provider is in-or-out of network
- Some states have balance billing protections for some out-of-network bills

# Working with State Insurance Regulators

## What State Insurance Regulators Do:

- Protect and Educate Consumers
- Investigate Complaints
- Regulate Insurance Companies
- Ensure Insurance Company Compliance with Federal and State Law
- Help consumers navigate the prior-approval and appeals processes

# Working with State Insurance Regulators

How do I know if my health plan is regulated by my state?

- Check your member ID Card
- Should have a designation printed on it – in CO, must say “CO-DOI”
- If so, state insurance laws apply and state insurance regulators can help you
- Similar requirements in other states
- Know and utilize your state insurance regulators

# Working with State Insurance Regulators

## What **Can't** the State Insurance Regulators Help With?

- Individual and group policies issued in other states
- Health plans that are “self-funded” by employers
- Single employer plans where the master contract is issued in another state
- Medicare and Medicaid issues
- Federal employee benefit plans

# Obtaining approvals

- All health benefit plans have a prior approval process – outlined in state statute and insurance regulations
- Those regulations specify timelines for approval/denial and appeal rights
- It is always beneficial to work with your insurance company to get prior approval for a procedure
- You can request your insurance company assign a “case manager” or “assister” to help you navigate their prior approval process, which can lead to better outcomes

# Dealing with denials - Appealing your case

- The term “Adverse Determination” is used to refer to a denial of a request for prior approval for a procedure, or a denial of coverage after a procedure has been done – an “adverse determination” starts the appeal process
- Individual plans have a first level appeal and then an independent external review process
- Group plans have a first AND a voluntary second level appeal, and then an independent external review process
- In Colorado, only denials for medical necessity are eligible for independent external review – not network-related issues

# Dealing with denials - Appealing your case

- There are expedited and non-expedited processes for all of this depending on the medical situation – however, these all take time, often months, to resolve
- Appeals can be filed with the carrier on behalf of the policyholder by a provider
- Providers are often much more familiar with the appeals process than the policyholder
- Providers are encouraged to submit sufficient documentation to support their claim that the procedure is/was medically necessary at all levels of the appeal process – this includes medical literature, articles, studies, as well as pertinent medical records and statements from other treating providers

# Dealing with denials - Appealing your case

- Appeals are much more likely to be successful if providers are able to make a compelling case so provider involvement is key to a successful appeal
- Your insurance regulators are a resource and can help you navigate this process
- Your insurance regulators can also ensure that your carrier is complying with the notification requirements and deadlines for the appeals process
- As the external review is binding, if your appeal is not overturned, you will be liable for the cost of the procedure if you move forward, or have already had it done

# In Summary

- Shop carefully for health insurance and do your research
- Understand key terms used in health insurance, like copayment and deductible
- Use in-network providers, and work with your carrier to get prior approval before having a procedure done
- There are appeal rights in your policy, don't be afraid to use them
- Utilize the expertise of your state insurance regulators when you have questions or have an issue obtaining coverage for a procedure or appealing the denial of a claim
- We're here to help!



**Thank you for your time and attention!**

# myFace

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## myFace.org

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myFace is a non-profit organization dedicated to changing the faces – and transforming the lives – of children and adults with [facial differences](#).



## Upcoming Broadcasts

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Virtual Summer Series  
July 20 6pm ET / 3pm PT

myFace, myStory  
July 28 6pm ET / 3pm PT

Transforming Lives  
August 10 7pm ET / 4pm PT

Find these events and more at  
[myface.org](https://myface.org)



**VIRTUAL  
READ ALOUD  
WITH THE AUTHOR  
KELLY VURINARIS**

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myFace  
**myStory**  
Voices from the craniofacial community

Connect with us on social:





Sunday, September 19

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## Races for Faces

By participating in the **myFace Races for Faces Virtual Walk** you can help raise awareness for children and adults with craniofacial differences.

Register to Walk with us Virtually at

[RacesforFaces.org](https://RacesforFaces.org)



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