

Whittling Away Debt

TO KEEP MORE MONEY IN YOUR POCKET, YOU NEED TO SHOP AROUND FOR THE BEST COVERAGE, help keep costs low to begin with, ensure adequate reserves and have a backup plan. Start reducing your health-care costs with the dozen ideas below.

Plan Ahead:

1 Find out what's covered in a policy. Check and compare deductibles and co-payments before purchasing a policy. Signing up for one that doesn't include the drugs you're taking or that won't allow you to see your current doctor can leave you liable for a good portion of the bill. To compare insurance plans before you make a final decision, head to a Web site such as www.ehealthinsurance.com.

2 Know how much you actually are liable for. An insurance broker can explain anything in your policy that is confusing and point out any restrictions that might cost you money later. Find an insurance broker through the National Association of Health Underwriters (www.nahu.org).

3 Explore possible providers. Before selecting a hospital, explore state-sponsored Web sites to compare charges. Currently, 38 states either require or encourage hospitals to publicize information on specific fees for inpatient and outpatient procedures. And costs do vary widely.

4 Check the network. Choosing doctors and labs that are in your insurance company's network keeps costs for office visits and services down. If you're thinking of purchasing any discount insurance cards, double-check the validity in your area.

5 Weigh the pros and cons of HMO and PPO health-care coverage to determine which is the best option for you. With an HMO you have to stay within a network of doctors and providers. You always have to see your primary physician before you can see a specialist, and he or she has to give permission before you can make an appointment with that specialist. There are no claim forms to deal with, and co-payments generally are lower. With a PPO, you have more freedom of choice and access. You don't need a referral to a specialist, and you can go outside the network. The biggest disadvantages are the cost is more expensive if you go outside the PPO network, co-payments generally are higher and sometimes you have to meet a deductible before coverage kicks in.

Plan to Keep Costs Down:

6 Choose generic medications whenever possible. If your doctor prescribes an expensive brand-name drug, ask if a generic option is available and advisable for your condition. If not, contact the pharmaceutical company that manufactures the medication. Many have assistance programs to help patients get the medication for free, or at a reduced cost. Contact the Partnership for Prescription Assistance at 1-888-477-2669, or go to www.pparx.org.

7 Be a code breaker. Make sure you don't pay for a procedure you never had. When your doctor recommends a procedure, ask for the current procedural terminology (CPT) code – a number such as 01210 for anesthesia for hip joint surgery. Then, double-check your bill to make sure the CPT codes match those your doctor gave you.

8 Pay for expenses out of pretax dollars. This way, the money you need to pay for your medical care will be budgeted by you – you'll determine the amount you want taken out of each paycheck. You'll also reduce the gross amount of pay on which your tax amount will be calculated. Consider participating if your employer offers a pretax flexible medical spending account.

9 Set aside money for unexpected life events. By funneling funds into a savings plan, you'll have a cushion in the event of a medical crisis, the loss of a job or a split with a spouse. Online savings plans often offer higher percentage rates than brick-and-mortar banks.

10 Take good care of yourself. Comply with your doctor's orders regarding your medication regimen, rehab or physical therapy, and lifestyle changes, such as altering your diet, increasing your activity and getting enough sleep.

Have a Backup Plan:

11 Speak up and ask for help. If you find yourself unable to pay for any service, be honest with the doctor's office or hospital billing department. Never be embarrassed: Most of the time, a payment plan can be worked out.

12 Look to organizations. Sources such as the Foundation for Health Coverage Education (www.coverageforall.org) may offer assistance. The Web site enables visitors to see what they might be eligible to receive through local, state and national aid, and allows them to apply online or speak with a counselor. 