

Health Insurance: Understanding What It Covers

What are “covered services”?

Your health insurance policy is an agreement between you and your insurance company. The policy lists a package of medical benefits such as tests, drugs and treatment services. The insurance company agrees to cover the cost of certain benefits listed in your policy. These are called "covered services."

Your policy also lists the kinds of services that are not covered by your insurance company. You have to pay for any uncovered medical care that you receive.

What is a medical necessity? Is that different from a covered service?

Keep in mind that a medical necessity is not the same as a medical benefit. A medical necessity is something that your doctor has decided is necessary. A medical benefit is something that your insurance plan has agreed to cover. In some cases, your doctor might decide that you need medical care that is not covered by your insurance policy.

Insurance companies determine what tests, drugs and services they will cover. These choices are based on their understanding of the kinds of medical care that most patients need. Your insurance company's choices may mean that the test, drug or service you need isn't covered by your policy.

What should I do?

Your doctor will try to be familiar with your insurance coverage so he or she can provide you with covered care. However, there are so many different insurance plans that it's not possible for your doctor to know the specific details of each plan. By understanding your insurance coverage, you can help your doctor recommend medical care that is covered in your plan.

- Take the time to read your insurance policy. It's better to know what your insurance company will pay for before you receive a service, get tested or fill a prescription. Some kinds of care may have to be approved by your insurance company before your doctor can provide them.
- If you still have questions about your coverage, call your insurance company and ask a representative to explain it.
- Remember that your insurance company, not your doctor, makes decisions about what will be paid for and what will not.

What happens if my doctor recommends care that isn't covered by my insurance?

Most of the things your doctor recommends will be covered by your plan, but some may not. When you have a test or treatment that isn't covered, or you get a prescription filled for a drug that isn't covered, your insurance company won't pay the bill. This is often called "denying the claim." You can still obtain the treatment your doctor recommended, but you will have to pay for it yourself.

If your insurance company denies your claim, you have the right to appeal (challenge) the decision. Before you decide to appeal, know your insurance company's appeal process. This should be discussed in your plan handbook. Also, ask your doctor for his or her opinion. If your doctor thinks it's right to make an appeal, he or she may be able to help you through the process.