

KEEPING A LID ON MEDICAL INSURANCE

When it comes to medical insurance we all want the best—in coverage and in premiums. But in the reality of today's complex and expensive medical world, obtaining medical insurance which gives you the highest coverage for the most reasonable premium can be a difficult, if not an almost impossible, feat to accomplish.

have been rising much faster than the overall economy. In 1986, the Gross National Product increased 5.6%, while national health expenditures escalated 8.4%—up to \$458 billion. In 1987, our national health expenditures rose again, up to about \$500 billion. The reason for the continuation in rising costs? Technology, fraud and increased utilization of medical coverage.

Ironical as it may seem, as our medical treatment improves, the cost of receiving it gets worse. And the primary cause of rising medical costs is the development and usage of modern medical technology. New technology has meant more spending for equipment. Each and every breakthrough in medicine is the result of expensive research and the reproduction of the equipment for hospitals. And, as hospitals add new equipment, they must also add the skilled technicians to operate it. New technology costs money and the American public, as the recipients of those medical advances, pays the bill.

As the cost of health care rises, so does the occurrence of health care fraud, which further adds to increasing costs. When fraudulent group claims are submitted and approved, the employer and the employee ultimately pay higher premiums. In fact, the United States Department of Health and Human Services estimates that health care fraud adds more than one million dollars a day to the cost of health care. And, the National Health Care Anti-Fraud Association estimates that health care fraud costs Americans ten billion dollars annually.

Another key factor for rising medical care costs is the higher use of medical services. Utilization has increased for several reasons such as a more highly educated population, changes in the health care delivery system and rising

incomes. It is estimated that a third of the money spent on health care in this country was wasted on unneeded hospitalization, surgery and other unnecessary services. Elaborate and expensive procedures are sometimes utilized simply because they exist.

Perhaps an additional factor lies with the attitude many of us have—"Oh, it doesn't matter. The insurance company is picking up the cost." But that just is not true for most insurance companies. The company and the individuals covered by the policy are paying for the cost of the coverage. It does, indeed, matter.

So as technology advances, insurance fraud increases, usage rises and the "it's someone else's problem" attitude spreads, medical costs go up and so does the cost of medical insurance. This results in one of two phenomenon: an increase in premiums or a decrease in coverage. Already, many insurance programs have significantly increased their rates and others are about to do the same.

It's not however, as bleak a picture as it may at first appear to be. There are some steps you can take to keep a hold on your program costs and not decrease benefits.

First, review your coverage. Talk with your insurance carrier and with other companies to find out about any alternate coverage that may be available. By making some small changes, such as increasing the deductible, you may be able to offset much of a premium increase. And, if you haven't reviewed your coverage in a while, this is the ideal time to do so.

Secondly, make every effort to use technology wisely. There's no doubt that doctors are the experts but it's your money and you should feel comfortable about the kind of care you're receiving for it. If you have a question, ask it. If you think something has already been done, ask the doctor, the nurse or the technician about it.

Third, do what you can to prevent fraud and errors. Mistakes happen and often, they occur on bills. Look over each charge for treatment to make sure you weren't billed for services never ren-

dered or billed twice for the same treatment. Prior to submitting a claim, check it carefully to see that it has been filled out correctly by both you and your doctor.

Lastly, use alternative care methods whenever possible. Over the past few years, many alternatives to hospitalization have become readily accepted by doctors and patients. Pre-admission and post-release testing, home health care and extended care facilities are possible options which can reduce the amount of time spent in a hospital. Ambulatory surgery can eliminate overnight stays and second opinions can, in certain cases, eliminate surgery altogether.

By being informed and conscientious, you can make a difference.

One Of Your Best Alternatives: The NAPA Group Insurance Trust

To help you compare the insurance coverage and rates you now have, below is a list of the basic features of the plans available through the NAPA Group Insurance Trust:

Plan I

- Pays first \$1,000 of hospital and medical costs in full; 80% thereafter.
- \$250,000 of major medical protection.

Plan II

- After \$100 deductible is met, pays 80%.
- \$250,000 of major medical protection.

Plan III

- After \$100 deductible is met, pays 80% of medical expenses.
- Unlimited major medical protection.
- Pays 100% of first \$5,000 of hospital expenses, 80% thereafter.

Plan IV

- After \$250 deductible is met, pays 80% of hospital and medical expenses.
- Unlimited major medical protection.

To give you an idea of the cost savings which can be realized between these four plans—if you changed to Plan IV from any of the three other plans, you'd save the following:

Plan I —26%

Plan II —7%

Plan III—33%

To ask questions about the NAPA Group Insurance Trust program or to receive a proposal, call the program administrator at 1-800-323-6898 (in Illinois, call 1-800-843-4643).