

ALASKA FAMILY ENT - DAVID S. KILLEBREW, M.D. FACS
Reconstructive Surgery, Head & Neck Surgery, Facial, Plastic, Trauma & Maxillofacial Surgery, Otolologic

Understanding health insurance is necessary but not always easy. The following information is provided to make health insurance easier to understand. First some terms to help make the process easier to understand and go through.

Preferred provider: The insurance company has a contract with either a hospital or health care provider. Those who sign the contract are “preferred providers” who agree to accept the provisions of the contract. They must accept the insurances usual and customary fees. The insurance company sets what the doctor can and cannot charge for a procedure. The reimbursement rate is around 80% of the insurances usual and customary fees. Preferred providers are also known as “in-network” providers

Non-preferred provider: Those who did not sign the contract. Often times the contracts have clauses that limit patient choices or may go against some health care provisions. Non-preferred providers are reimbursed at an even poorer rate than preferred providers, at around 50%. The doctor has the ability to set his own fees for the procedure. Non-preferred providers are also known as “Out-of-Network” providers.

Deductible: The dollar amount the patient is responsible for before the patient benefits will apply.

Co-pay: The shared portion, along with the insurance company, of a procedure the patient is responsible for. This is usually a percentage. Patient co-pays for In-network is around 20% and out-of-network is around 50%.

As an example: patient A has an office visit that costs \$ 100.00. His/her deductible is \$ 20.00 and the insurance will pay at a rate of 80%. The reimbursement the doctor will receive

from the insurance is \$ 64.00 (80% of \$ 80.00). The patient is responsible for \$ 36.00 (\$ 20.00, deductible + \$ 16.00, co-pay).

Usual and Customary Fees: This is the reimbursement amount, usually in a range from a low to high amount, which the insurance company will allow for a procedure. This is also called “Their allowable”.

Physician’s fees: What the doctor is charging for a procedure. This is also called “Our allowable”. Please note: the insurance companies designation of the “usual and customary” fee is typically less and sometimes much less than the physician’s fee. Patients will be responsible for the difference between the doctor’s fee and the insurance’s usual and customary fee. We use standardized software that calculates “Our allowable” based on the average fee, in comparison to what other ENT doctor’s charge for the same procedure, in this geographic area.

Ordinarily the insurance companies have provisions which punish the patients who use non-preferred providers who are “out-of-network” by reimbursing those providers at the “out-of-network” rate, around 50%, and thus increase the cost the patient is responsible for, because the insurance company pays the doctor less.

Dr. Killebrew bills for his services only. This does not include labs, hospital, or anesthesia services.

There are no Ear, Nose, and Throat (Otorhinolaryngology) preferred providers in the entire state of Alaska.

Your insurance company will reimburse us at the out-of-network rate because you are being treated by a non-preferred provider who is out-of-network.

Please help us to receive maximum reimbursement from your insurance company by doing the following:

1. Please call your insurance company to understand what your deductible is (dollar amount), your co-pay, and “their allowable” for the office visit and/or procedure(s) you are having done.
2. Please sign the out-of-network appeal letter
3. Please discuss what options your insurance has available to you for “In-network” reimbursement due to the fact that there are no ENT preferred providers in the entire state of Alaska. The **only** providers available to you, in the state of Alaska, are non-preferred providers who are “out-of-network”. It is unfair, financially, that your insurance company would require you to use a preferred provider who is “In-network” when there are none available for you to use.

In most cases, with a letter and/or a phone call from you, the insurance company will reimburse more favorably at the “In-network” rate.

Sincerely,

David S. Killebrew, M.D.