

HEALTH INSURANCE

Help!

YOUR GUIDE TO USING TIERED NETWORKS
ISSUE TWO - TIERED NETWORKS



Understanding Tiered Networks At A Glance



Tiered networks are a way for insurers to design benefits that steer consumers to the provider groups that meet the insurers' requirements.



Tiered networks mean more than just out-of-network or in-network providers. In-network providers are split into groups, with each group costing patients different amounts.



Using the provider directory is essential especially if you have a tiered network plan.



Be sure to learn the charges you may be responsible for in each of the provider groups that are in the tiered network.

What is a Tiered Network? An Insurance Company Network, with a twist.

Tiered networks are a way for insurance companies to encourage consumers to use providers that are rated – by the insurance company – as higher quality and/or lower cost.

How do I know if I have a tiered network?

Always look at your documents.

Your insurance card is always a good place to start when trying to learn about your plan's rules. While there isn't a lot of detail on the card, there are clues that can help, such as information on co-pays and the name of your plan. You can always call the member phone number on the back of the insurance card and ask your insurance company directly.

Also, another very good place to look is on the insurance company's website. The websites often have information specific to your individual plan.

Below, to the right, is a sample of what an insurance identification card might look like if you are enrolled in a tiered network.

However, it is important to know that not all insurance companies must follow the same rules; so, even if your card doesn't look like this, you may still have a tiered *benefit design*. That is where your summary plan description or your summary of benefits and coverage is helpful. These are documents you should receive when you enroll in an insurance plan. If you did not receive them or have misplaced them, contact your insurance company.

Both documents are intended to be an easy-to-read summary that shows you all the features of your insurance policy that are important to you.

How do I find a provider?

Visit www.njha.com/consumer-info/onlineproviderdirectories.com to see a video on using online directories.

Your insurance company must send you a provider directory free of charge if you request it. The provider directory is always a useful tool in identifying providers who participate in your network. They will also identify any tiering or preferred status a provider may have. However, consumers must be cautious because printed provider directories are often out-of-date as soon as they are printed. Provider status can change daily for a lot of reasons. That's why it is always a good idea to check the online directory or to follow up with the provider directly.

Your provider directory should identify which doctors and hospitals are in each tier or category, although that information can also change rapidly. Tiers can also be called other things – preferred and non-preferred, inner and outer circle, etc.

Benefit design.

Benefit design means all of the rules that apply to an insurance policy.

Different insurance policies have different rules. Examples of these rules include the healthcare services that the insurance company will pay for; the amount the insurance company will pay and the amount the enrollee must pay for a healthcare service or item; the network of providers an enrollee may use to receive healthcare services or items; and other rules the enrollee must follow to obtain a service, such as getting prior authorization or referrals.

HEALTH INSURANCE OF NJ Tiered Network Card		Tier1 Advantage	
NO REFERRAL NECESSARY			
SAMPLE MEMBER US11234567800			
Rx Bin 015814	EPO HSA	TIER 1	TIER 2
Rx PCN 06440000	PCP	\$50	\$50
	SPCE	\$75	\$75
	ER	\$100	50%
	SNG DED	\$1350	\$1350
PREVENTIVE CARE \$0	FAM DED	\$2700	\$2700

Rx

What could it cost me?

PATH 1 - IN-NETWORK, PREFERRED PROVIDER/Tier 1

Hospital Charge	\$10,000
The Insurance Company Pays Its Contracted Rate	\$6,000
You Pay Preferred Provider Deductible:	\$700
You Pay Preferred Provider Copayments:	\$100
You Pay Preferred Provider Coinsurance of 10 %:	\$1,000
YOUR TOTAL IS:	\$1,800

PATH 2 – IN-NETWORK, NON-PREFERRED PROVIDER/Tier 2 or lower

Hospital Charge	\$10,000
The Insurance Company Pays Its Contracted Rate	\$6,000
You Pay Non-Preferred Deductible:	\$900
You Pay Non-Preferred Provider Copayments:	100
You Pay Non-Preferred Provider Coinsurance of 25%:	\$2,500
YOUR TOTAL IS:	\$3,500



Consumers must be cautious.

Tiered health plans can sometimes result in a higher bill than consumers expect. You must be cautious; check if your insurer has a preferred group of providers in order to pay the least out of your own pocket for your care. Also review the difference in costs between the preferred provider listing and the other in-network providers; they may be preferred by you, but not by your insurance company.

LEGAL NOTICE: The New Jersey Hospital Association's (NJHA) *Putting The Pieces Together: Your Guide to Using Tiered Networks Issue Two - Tiered Networks* (hereinafter "materials") are intended to be tools hospitals can share with consumers to assist in education efforts.

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If you have other questions or concerns, call the customer service phone number on your insurance card.