

CALCULATING MATH INSURANCE TIPS

To calculate your estimated out of pocket amount (OOP): subtract your deductible amount (unmet amount* or remaining) from the total estimated insurance allowed amount, then multiply that number by your co-insurance percentage, then add your deductible amount again and the final number will be your estimated out of pocket amount.

For example:

\$10,340.00 (Patient's charges)
- \$1500.00 (Unmet Deductible)
\$8,840.00 (Amount that co-insurance percentage will be applied to)
X 0.20 (Co-insurance percentage, if applicable)
\$1768.00 (Patient's co-insurance amount)
+ \$1500.00 (Deductible)
\$3268.00 (Estimated Out Of Pocket)

We subtract the deductible amount from the original charges to obtain the number that we will apply the patient's co-insurance percentage to find out the co-insurance amount. We add the deductible back in because the **patient is still responsible for meeting this deductible requirement, in addition to the co-insurance amount.**

***Remember these key terms when talking about the deductible:**

Unmet means **nothing** has been applied to the patient's deductible.

Remaining refers to what is left after **charges (\$)** have been applied to the deductible.

Met means the patient has **completely satisfied (\$0)** the deductible requirements.

Once the deductible has been met, if there is a co-insurance, then the co-insurance is applied to the patient's charges and then that amount would be the patient's OOP.

Using example above, if the deductible has been met then the patient's responsibility would be: \$10,340 X 20% = \$2068.

To calculate estimated OOP when there is a discount off the charges: Multiply discount percentage from charges and then subtract that amount from the charges to obtain the number that you will either take a co-insurance/co-pay percentage or co-pay from.

For example: this is taken from Case 3.4 Calculating Insurance Math in your Textbook, pg. 106, Problem C:

\$210.00 (Day's Charges)
X 0.20 (Discount percentage)
\$42.00 (Discount)

\$210.00 (Day's Charges)
~~- \$42.00 (Discount)~~
\$168.00 (Patient's actual charges)

\$168.00 (Patient's actual charges)
X 0.15 (Co-pay percentage)
\$25.20 (Patient's responsibility)

\$168.00 (Patient's actual charges)
~~- \$25.20 (Patient's responsibility)~~
\$142.80 (HMO responsibility)

CALCULATING PATIENT/PROVIDER AMOUNTS WHEN THERE'S SECONDARY INSURANCE:

When there are multiple insurances involved, it is important to isolate the cost-share information separately from each other when trying to solve the problem.

For example, this is taken from Applying Concepts in your Workbook, pg. 181,

Q. 1-6:

Joseph D'Amico is covered by Blue Cross (BC) & Medicare (MCR). His BC plan has an 85-15 co-insurance (coins) and a \$100 deductible (ded), not met. This year's MCR ded is \$110, not met. He was seen in our office on January 11: charges for the office visit were \$135. Claims were submitted to BC as primary payer and to MCR as secondary payer.

Primary BC:

\$135.00 (Patient's charges)
~~-\$100.00 (BC Unmet Ded)~~
\$35.00 (Amount that co-insurance percentage will be applied to)
X 0.15 (BC Coins %)
\$5.25 (Patient's co-insurance amount)
~~+\$100.00 (BC Deductible)~~
\$105.25 (Patient's possible responsibility, because this amount needs to be sent to the secondary MCR to determine what payment, if any, will be made.)

1.) What amount will BC be responsible for?

Currently, BC is responsible for \$29.75: (\$135.00 - \$105.25) or (\$35.00 X 85%)

Secondary MCR:

The \$105.25 (patient's primary BC ded & coins) information calculated from the primary claim will be sent to the secondary MCR for possible payment.

2.) What amount will MCR be responsible for?

The patient has a \$110 MCR ded that has not been met, so MCR will not pay anything for this claim.

3.) What amount will Mr. D'Amico be responsible for?

He will be responsible for \$105.25.

The patient's remaining MCR ded is \$4.75: (\$110.00 - \$105.25)

*****Mr D'Amico saw the doctor again February. Charges for the office visit and tests were \$215.*****

Primary BC:

\$215.00 (Patient's charges)

X 0.15 (BC Coins %) *Ded no longer applies because it was met with the previous encounter.

\$32.25 (Patient's possible responsibility, because this amount needs to be sent to the secondary MCR to determine what payment, if any, will be made.)

4.) What amount will BC be responsible for?

Currently, BC is responsible for \$182.75: (\$215.00 - \$32.25) or (\$215.00 X 85%)

Secondary MCR:

The \$32.25 (patient's primary BC coins) information calculated from the primary claim will be sent to the secondary MCR for possible payment.

5.) What amount will MCR be responsible for?

MCR will be responsible for \$27.50: (\$32.25 - \$4.75 remaining MCR ded)

6.) What amount will Mr. D'Amico be responsible for?

He will be responsible for \$4.75, his remaining MCR ded.