

Understanding Balance Billing

The Louisiana Department of Insurance encourages you to assess your health care requirements to make sure your current plan meets your needs and fits your budget. Health insurance can help you avoid large bills from your health care provider, but what happens when you face an unexpected medical bill? Here is what you need to know:

What is balance billing?

Balance billing arises when a health care provider who isn't in your plan's network charges more than your policy pays. The provider often bills you for the difference or balance. Balance billing can occur when a consumer chooses to see a provider outside of their plan's network, such as a specialist physician.

What is the difference between in-network and out-of-network?

In-network health care providers have negotiated a specific discounted rate with insurance companies; that way, insurers know how much care should cost. You can usually find who's in your plan's network on your insurer's website. The cost of services rendered by in-network providers can be predictable. Out-of-network providers do not have an agreement with your health plan on the cost of their services. Payment for services from out-of-network providers could be covered, not covered at all, or partially covered – putting you at risk of receiving a surprise bill.

Consumer Tips

Understand your health care coverage. PPO and HMO plans both have different in-network health care providers. Choose which coverage meets your medical needs and budget.

- **HEALTH MAINTENANCE ORGANIZATION (HMO):** A type of health insurance plan that usually limits coverage to care from doctors who work for or contract with the HMO. It generally won't cover out-of-network care except in an emergency. An HMO may require you to live or work in its service area to be eligible for coverage. HMOs often provide integrated care and focus on prevention and wellness.
- **PREFERRED PROVIDER ORGANIZATION (PPO):** A type of health plan where you pay less if you use providers in the plan's network. You can use doctors, hospitals, and providers outside of the network without a referral for an additional cost.

Determine whether your health care providers are in-network and out-of-network. Staying within a plan's network can often save you from balance billing.

Request additional information. Contact your insurer to request information about a provider before receiving a service. Insurers can help you determine the network status of a doctor. Also, some hospital systems have billing coordinators who can find out if a doctor is in-network. If you do find yourself with an unexpected bill, contact all parties to assess your obligations and work out a payment plan if necessary.



Louisiana Department of Insurance
Jim Donelon, Commissioner

1-800-259-5300
www.lds.la.gov