Why Would I Want to Self-Pay for Care?

In most situations, using your insurance coverage is in your best interest because it ensures you are receiving the maximum benefits that you are entitled to, and utilizes what you are paying for with your premiums. But, in some cases, you may choose to pay directly for the care you want, and forgo your insurer's assistance and insurance policy.

We have highlighted a couple of instances where you might choose to forfeit any insurance intervention.

Stephanie's Scenario

Stephanie's doctor prescribes a new brand-name allergy medication that her doctor believes will be more effective for her. Her insurer requires prior authorization, so her doctor submits the request to her insurance company. Her health plan denies the request because it is not on the formulary. Stephanie's doctor starts the appeals process, as her doctor is confident this medication has the ability to help her feel better. He explains that the appeals process could be lengthy and recommends she start the medication as soon as possible.

What can Stephanie do?

- Opt to pay the full price for the medication
- Shop around at different pharmacies to get the best price (websites like GoodRX.com can show her, based on her specific location, which local pharmacy has the best retail price)
- Utilize medication discount cards, like one available from NeedyMeds.com or GoodRX.com to help further lower the cost

As well, lots of manufacturers offer free drug programs. If she is approved based on the criteria of the program, Stephanie may still have access to the medication, and actually at little or no cost to her.

Weighing Both Sides

Pros

- ✔ Stephanie will get the benefit of coupons and discounts.
- ✔ Stephanie was able to get the medication she wants immediately.

Cons

- ✘ If Stephanie spends any money on her medication prior to insurance approval, that money does **not** count towards meeting her deductible or out-of-pocket maximum associated with her plan.
- ✘ The mediation may be more expensive depending on initial retail cost.

Michael's Scenario

Michael has a great relationship with his long-time orthopedist, but his doctor makes the decision to leave his insurance network. Michael's plan does have out-of-network benefits, but the plan only pays 50% of the covered rate. This leaves Michael responsible for paying his 50% portion of the allowed amount and the difference between the billed amount **and** these payments. His in-network benefits pay 80%. Michael can still continue to see his doctor with higher costs, or he does have the option to pay cash instead of utilizing his insurance benefits.

So, Michael speaks with the billing coordinator at the orthopedist's office and asks that the doctor's office work with him financially. He tells them his health insurance will not be paying as much towards the cost of the visits but he would still like to remain a patient. The office offered him what's called a self-pay discount, further reducing the health care charges to less than what he would have paid if he had utilized his insurance benefits.

Weighing Both Sides

Pros

- Michael is eligible to continue seeing the doctor he prefers
- Michael may be eligible for a reduction of the doctor's retail cost through a self-pay discount.

Cons

- Any money Michael pays for his visits does not count toward meeting his plan's deductible or out-of-pocket maximum.
- Michael will need to pay close attention to services the doctor coordinates for him to ensure the providers are in his plan network.
- Michael may have to be more proactive to ensure his records are shared with his PCP or other doctors.

For additional topics surrounding common insurance challenges and healthcare issues, visit patientadvocate.org