

A common misconception about cancer and your health insurance

If you were in the battle for your life, wouldn't you want the best weapons to survive?

Of course you would.

But when it comes to battling—and surviving cancer—you may find out too late that you don't have all the weapons you need.

That's because many people have the misconception that their basic health insurance coverage will pay ALL the costs to treat their cancer. Unfortunately, many who have been diagnosed and treated find that their basic health insurance plan may not pay for some associated costs, which causes them to pay money out of their own bank accounts.

CANCER FACT:
Cancer is the second most common cause of death in the United States. Less than 1-in-2 men and a little more than 1-in-3 women in the United States will develop cancer during their lifetimes.

Associated cancer costs may not be covered by your health insurance

It's important you review your health insurance plan to make sure that if you are diagnosed with cancer or another disease, you're financially prepared if your plan does not pay for some associated costs. Here are some examples of potential costs to look out for in your plan:

- **Copayments.** You're probably familiar with this term when you visit your doctor or pick up a prescription. This is the amount of money you pay out of pocket for certain benefits. This may be a small amount, like \$10–\$20. Does your insurance plan require copays for other specific benefits, including hospital stays, outpatient treatment, specialist visits, and nursing care? If you get cancer, these copays could be costly.
- **Deductibles.** In an effort to keep costs down, many plans include deductibles. A deductible is the amount you are required to pay before your insurance company pays. For example, if your doctor recommends surgery to remove a cancerous growth, your policy may require you to pay the first \$250 of any surgery—or much more—before your plan will pay the rest.

Your insurance plan may have just one deductible for the entire range of benefits or specific deductibles for each benefit. (That is, you may have a different deductible for surgeries, hospitalization, ambulance trips, and many more.) If your plan has a lot of deductibles or a few high deductibles, they could add up to a lot of cash coming out of your bank account.

- **Policy maximums.** Your health insurance plan probably states somewhere that it has a lifetime policy maximum amount for each benefit or for the total benefits. This is the total amount of money the plan will pay during your lifetime as an insured.

For example, some plans state they will only pay up to \$10,000 per surgery. So if the surgery you need costs \$12,000, you'll have to pay the leftover \$2,000. If you have several different surgeries or use other benefits that have limitations, they could be quite costly.

- **Coinsurance amounts or cost shares:** Does your plan require you to pay (or “share”) certain costs for benefits? Usually, this amount is a percentage of care you have to pay for.

For example, when it comes to hospital stays, some plans require you to pay 20 percent of charges and the plan will pay 80 percent of charges. So if you're in the hospital for five days, which might cost a total of \$3,000, you'll pay 20 percent of that amount (\$600), and your plan will pay 80 percent (\$2,400). These cost-shares could be costly as well.

- **Excluded Services/Treatments:** Will your insurance plan pay for experimental treatments and new medicines and/or protect you if you participate in a cancer clinical trial? Some plans don't cover certain treatments and medicines because they are relatively new, may be unproven, and may involve some health risks. If your plan does exclude a treatment you believe you need, you may have to pay for it completely out of pocket.

CANCER FACT:

The National Institutes of Health estimates overall costs for cancer at \$228.1 billion a year-- \$93.2 billion for direct medical costs and \$18.8 billion for indirect morbidity costs. If you get cancer, your share of costs may run you thousands of dollars.

Beware of the little extras no plan pays for

Once you determine how much your plan pays as it relates to your direct medical care, you need to be aware of all the little extra costs no health insurance plan pays. These are often called indirect costs, and they may include:

- ✓ the cost to fill up your tank—for your vehicle going back and forth to your doctor or hospital;
- ✓ over-the-counter remedies such as cold medicines, heating pads, bandages ...
- ✓ any lost income while you're out of work;
- ✓ hired help to clean your house, do your laundry, mow the lawn and other basic needs (if you're unable to due to injury or illness); and
- ✓ books, magazines, and other aids to pass the time while you're recovering.

When you factor in copays, deductibles, policy maximums, and/or coinsurance amounts with the possible indirect costs of your care, you can see how your personal costs for treatment could add up if you're diagnosed with cancer.

Supplemental cancer insurance plans offer an affordable backup

A supplemental cancer insurance plan typically can help pick up the tab for some of your treatment costs, including daily hospital stays, surgeries, anesthesia, chemotherapy, radiation and

other care. It can be a good backup plan to your basic health insurance plan if you are diagnosed with cancer.

Generally, these plans guarantee your acceptance as long as you haven't had cancer, and offer relatively low premiums. In addition, these plans typically pay benefits in addition to your current health insurance plan. The benefits are paid directly to you—not a doctor or hospital.

One drawback about enrolling in such a plan is that if you're never diagnosed with cancer, you won't receive any benefits.

Therefore, a supplemental cancer insurance plan may be a good idea if you have a higher risk of getting cancer—due to family history and/or certain lifestyle choices that have proven to increase your risk. These include smoking, obesity, physical inactivity, and a diet high in saturated fats and processed meats and low in fruits and vegetables.

The IEEE Member Supplemental Cancer Insurance Plan

IEEE offers a supplemental cancer insurance plan to its members. The IEEE Member Supplemental Cancer Insurance Plan offers you a choice of two affordable options based on your budget. Both options include benefits for hospital stays, intensive care, outpatient treatment (including chemotherapy), and hospice care.

To be eligible, you must be an IEEE member and have not been diagnosed with cancer in the past five years. For more information call toll-free 1-800-493-IEEE or visit the product page at www.ieeeinsurance.com.

Important note: All examples used in "Associated cancer costs may not be covered by your health insurance" paragraphs are fictional and do not reflect any of the IEEE insurance plans.

Source for all statistics: Cancer Facts & Figures 2009.

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