

Keep Track of Your Important Health Insurance and Health Care Papers

The purpose of this fact sheet is to help you understand the importance of organizing and keeping health care papers handy and easy to locate when you need them. Would you be able to put your finger on your health insurance papers if your child broke his or her arm while playing sports? Is your insurance card in your purse, wallet or at home on the kitchen table? How long will it take you to find it? Did you know that you might be able to use your receipts to save on your taxes? You can save hours of frustration if you have a plan for organizing your health insurance plan and family health care papers.

Why Should I Keep and Organize Health Insurance and Health Care papers?

Health care costs are a major part of an individual or family spending plan. Careful record keeping helps you know how much you have spent for health care each year. Keeping track of these expenses will also help you know how much you have spent toward the annual deductible for your health insurance plan. The annual deductible is the amount you need to spend each year for medical care from your own money before your health insurance will cover the costs. Knowing what you are spending and tracking these costs are important. Why? Here are some reasons:

Accuracy of Medical Bills

Many medical bills have errors. Research suggests that 3 to 8 of every 10 medical bills have errors (Brenoff 2017). So, it is important that you check your bills against your receipts and Explanation of Benefits (EOB) statements. Doing this will give you the information you need to dispute a medical billing error or denial of coverage.

Prevention of Medical Identity Theft

Medical Identity Theft happens when another person uses your personal information and insurance for their health care. You will be charged for their expenses. You will see the costs when you receive an Explanation of Benefits (EOB) from your health insurance plan.

Proof of Services

Organizing and keeping records of health care services for you and your family will help if you need to show that medical bills don't match the care you receive. These papers will also help if you have been denied health insurance coverage for a service. The type of service, date of service, cost, and the amount you paid are examples of proof of services you received.



Future Expense Planning

Organizing and keeping health insurance and health care papers can help you review your health care expenses for this and last year. Knowing those costs, you will be able to plan for and budget for next year's costs.

Also, as you evaluate your health insurance plan during open enrollment, these papers will help you decide if your current health insurance plan is financially a "good fit" for you and your family's health needs. You may decide you need to choose a different plan.

How Can I Keep My Papers Handy?

Organizing and keeping track of all your health insurance and health care papers can take time and be stressful. But those efforts will pay off. The health care papers show you how much you spent and will help you dispute an error or denied coverage. Knowing what you spent can help you plan for future expenses. Organization is the key to keeping health insurance and health care papers handy and easy to find when you need them.

Some of the papers you can use to track your health care expenses are listed below. You might decide there are other useful papers you also want to keep.

- Monthly, quarterly or yearly health insurance premium payments
- Health care receipts, invoices and bills from doctors, dentists or other health providers, hospitals, clinics and other facilities

- Receipts for prescription medicines, medical equipment, and other medical supplies
- Explanation of Benefits (EOB)
- Credit card statements containing payments for health care services
- Bank statements and online banking records
- Debit card receipts for health care services
- Health Savings Account Statements (Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts)

As you track your health insurance and health care expenses, you may find it useful to use one or more of the following tools:

- Notebook paper and a 3-Ring Binder
- Excel Spreadsheets
- Computer Financial Software (PENNY, RECEIPTS BY WAVE, EXPENSIFY, RECEIPTMATE, NEATRECEIPTS, CLARITYMONEY, WALLY, MINT, MVELOPES)
- Checkbook Register
- Calendar (daily, weekly, monthly)
- Envelope System (placing exact amounts into envelopes for each budgetary purpose)
- Scanned documents



How Do I Organize and Store My Health Insurance and Health Care Papers?

Once you have gathered your health insurance and health care papers it is time to file and store these important records. Suggested file categories for an organized health care records filing system in your home include:

- Dental invoices and receipts
- Evidence of Coverage and Benefits
- Explanation of Benefits
- Health Savings Account/Statements
- Lab and diagnostic tests
- List of Prescription medicines and costs including receipts
- Medical Event (i.e. major surgery)
- Medical Invoices and Receipts
- Vision invoices and receipts
- Workman’s compensation

Important Health Care Papers can be Stored in Your Home or Online

A home filing cabinet, box, basket, plastic container or a cardboard box are just a few suggestions for storing copies of your health care papers. Once you decide where to store your health care papers, remember to label the folder first then file your papers using the suggested file categories previously listed. Where you store your papers doesn’t have to be fancy at all. As long as you choose a storage compartment that will keep your papers dry and free from damage or destruction.

Dropbox, Google Drive, Amazon Cloud Drive, and OneDrive are online tools you could use to store your papers. A Dropbox basic account is free. It is a personal cloud storage service. Files can be saved to a folder; new folders can be added; and you can drag and drop files among folders. Google Drive can store any kind of file such as photos, videos, pdfs and Microsoft Office files. Amazon Cloud Drive is an online storage service that allows users to upload and access music, videos, documents, and photos. OneDrive offers users a simple way to store, sync and share all kinds of files with other people and devices.

Conclusion

Keeping health insurance and health care papers and tracking those costs are important. If you use these suggestions and tools you will know how much you are spending on your health care costs and your papers will be handy when you need them.

Health Insurance Important Words to Know



Deductible – The amount you owe for health care services your health insurance plan covers before your health insurance plan begins to pay. For example, if your deductible is \$1000, your plan won’t pay anything until you’ve met your \$1000 deductible for covered health care services. The deductible may not apply to all services, especially preventive services.

Evidence of Coverage and Benefits – A document that shows what’s covered, not covered, or limited in an insurance plan. It is a contract between you and the insurance provider.

Explanation of Benefits (EOB) – A letter from an insurance company showing what treatments and/or services were paid for. It includes the service performed, the provider’s name, the patient’s name, the fee, how much the insurer allows, and how much the patient must pay.

Medical Expenses – Costs of healthcare. Examples are insurance premiums, coinsurance or copayments, costs of prescriptions, hospital visits, medical aids/devices/glasses, and travel for health reasons. Some of these may be used for tax deductions. Also called “health care expenses.”

Medical Identity Theft – When personal information is stolen to get medical care, health services or insurance. False information may be put in the victim’s medical records. This may affect the health care or insurance coverage of the victim.

Premium – The amount you pay for your health insurance or plan. You and/or your employer may pay it monthly, quarterly, or yearly.

Resources

Brenoff, A. There’s A Strong Chance You Are Paying For Expensive Medical Billing Mistakes. HuffPost Life May 17, 2017 4:03 a.m. ET online at: https://www.huffpost.com/entry/nearly-90-percent-of-medical-bills-contain-mistakes_n_5902146be4b0af6d718c6e80

Internal Revenue Service
[https://www.irs.gov/publications/p502_\(Medical and Dental Expenses\)](https://www.irs.gov/publications/p502_(Medical%20and%20Dental%20Expenses))

Healthcare.gov
www.healthcare.gov/

University of Maryland Extension Insuring Your Health
www.extension.umd.edu/insure/

Understanding and Estimating Health Care Expenses
http://extension.umd.edu/sites/extension.umd.edu/files/_docs/programs/6%20Understanding%20and%20Estimating%20Health%20Care%20Expenses%20worksheet.pdf

My Smart Choice and Smart Use Spending Plan
http://extension.umd.edu/sites/extension.umd.edu/files/_images/programs/insure/My%20Smart%20Choice%20and%20Smart%20Use%20Spending%20Plan.pdf

Helping You Make a Good Guess for out-of-pocket expenses
http://extension.umd.edu/sites/extension.umd.edu/files/_images/uploaded/2%20Helping%20you%20make%20a%20good%20guess%20for%20out%20of%20pocket%20expenses.pdf

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