



Maintaining your Financial Health:

Avoiding, preparing and coping with unexpected medical costs

Each day, more and more Americans add unaffordable medical debt to their list of financial challenges. In fact, in 2008, more than 15,000 of Accel's counseling clients claimed that medical issues were at the root of their financial difficulties. And their challenges were significant. More than 30 percent of the people in this group had past-due medical bills to deal with.

It's a problem for the employed and unemployed alike. While many of the jobless struggle to afford health insurance and even individual doctor visits, those fortunate enough to have insurance are being burdened by additional expenses associated with health care coverage cutbacks and rising medical costs.

According to *U.S. News and World Report*, 41 percent of working-age Americans – 72 million people – reported having medical bill problems or trouble paying off medical debts in 2007. Most were insured at the time that care was given.

"It has become increasingly difficult to plan for unexpected medical costs," says Accel counselor, Lisa Murphy. "But thought, careful planning and diligent budgeting can help eliminate a lot of the pain that results from medical debt while helping you ensure that medical bills don't cause additional financial hardships."

Accel's recommendations for maintaining your financial health, along with your physical health, include some basics:

Planning: Be realistic with your medical budget. Review your history and think carefully about your future to accurately plan for premiums, co-pays, deductibles and out-of-pocket expenses. It is very common for out-of-pocket expenses to exceed \$1,000 per year (in addition to the cost of insurance premiums).

Managing your health insurance: Although it's expensive, maintaining health care coverage costs far less than extraneous out-of-pocket costs associated with even simple procedures. For those unable to afford insurance, contact your state's human services department to determine eligibility for Medicaid, Medicare, or the State Children's Health Insurance Program.

If you are insured, it's important to stay current with your policy. Recent cutbacks have likely caused changes in coverage. Double-check your overall coverage (medical, dental, vision), co-pays, policy limits, and special services. Consult with your doctor to ensure all procedures are covered (tests, lab work, etc.). Call your insurer to clarify any outstanding questions.

Finally, be sure to take advantage of your employer's health care spending account options. Both flexible spending accounts and medical savings accounts offer pre-tax savings plans that allow users to draw on them to cover medical expenses as they occur. Health reimbursement programs offer other benefits. Be sure to know all the rules before you begin contributing. It's especially wise to check on spending limits and rollover policies.

Dealing with medical debt: For those saddled with medical bills, there are a few ways to help control the debt and none of them include using a credit card to pay it off! Using credit cards to pay medical debt should be avoided at all costs, so begin by requesting an itemized bill. You can check carefully for errors and, if necessary, appeal insurance company denials. You can also challenge your bills, when needed, or negotiate the cost of some services. Especially in the case of uninsured patients, doctors and hospitals will often reduce prices. Many are even willing to work out interest-free payment plans.

Considering your future health care costs: Set a realistic goal for estimated future healthcare costs and start saving for them immediately. Consider purchasing long-term care insurance when you can afford the extra expense. It can save you thousands of dollars in the long run. And make sure your investment and retirement strategy – which should blend a mix of taxable and non-taxable investments – takes healthcare costs into account.

Staying healthy: Prevention is always the best strategy. You've heard it before: Eat a balanced diet; exercise often; don't drink, smoke, or do drugs; go in for your annual physical on time, like your life depends on it...and an apple a day wouldn't hurt either!



Tough Times for Businesses Mean More Collection Calls Coming Our Way

With so many hard hit by the current economic crisis, businesses are looking at delinquent accounts as a way to help fix cash flow problems. It's an effort to survive.

Add the pressures of a "credit crunch" and growing consumer debt to an already burdened business debt load and it's easy to see why businesses are asking their collections contractors and departments to be more aggressive trying to collect on past-due accounts. Don't be surprised if you get some calls, or if the callers use scare tactics.

But be prepared.

Accel, together with the National Foundation for Credit Counseling (NFCC), reminds people that there are consumer protections in place that can help them combat aggressive collections tactics, and that keeping emotions in check when they are speaking to collectors is just as important as knowing their rights.

"Our debt management clients can refer collectors to Accel to discuss the debt in question," said Accel Financial Counselor Justin Botimer. "But those not working with us

still have some protections. They are definitely going to need them right now."

Know Your Rights

For those who have not yet enlisted our service, Accel and the NFCC want to remind you of protections afforded by the Fair Debt Collection Practices Act.

Debt collectors:

- May not call at inopportune times, or specifically between 9 p.m. and 8 a.m.
- May not harass you, threaten you, use profanity or suggest criminal charges against you
- May not tell others about your debt
- Must, if they are a third party trying to collect on behalf of another company, "cease and desist" their calls upon receipt of your letter making that request

If a collector breaks these rules, you can file a complaint with the Federal Trade Commission and your state's Attorney General's office. You can also learn more about your rights and how to write a "cease and desist" letter at www.ftc.gov.

Legitimate Home-Based Business Offer or Somebody Else's Home-Based Business Scam?

We've all daydreamed of the wealth and freedom that a home-based business can provide. And the extra income and flexibility they seem to promise is even more alluring when times are tough and budgets are barely balancing (if they're balancing at all). Scammers' claims prey on these very ideas and hopes: "Be your own boss. Work from the comfort of home. Make unlimited income — quickly and kiss that tedious commute goodbye."

The promise gets better because it's "forever. And all, for only \$19.95!"

On any given day, check your postal mail, your e-mail and your voice-mail. You're sure to find offers for high-paying, home-based job opportunities that require little-to-no skill and only a minimal investment of time. Usually, those making the offers stand to benefit financially in significant ways and, so, are relentless in their approaches.

"Many people, feeling the strain of a struggling economy fall for these pitches because, during times like these home-based businesses look more attractive than ever," said Dan Norris, a counselor in Accel's Immediate Counseling Group. "Although legitimate offers exist, many sources claim that up to 90% of home-based business opportunities are scams. We don't ever want to see our clients taken by them."

So before you jump at the opportunity, Accel counselors want to share a few hints to help you ensure that your home-based business opportunity is in fact an opportunity, rather than a future financial problem.

Five Scam-Avoiding Rules to Live By

- 1. NEVER pay to work!** You wouldn't pay to interview with a company, would you? Beware of offers that require fees to learn more. If "start-up materials" are required, make sure they have a real-world value — see the next step.
- 2. Research, Research, Research.** Get your Google on. Talk to others. Find out everything you can about the company and business being offered. Make sure the company has a reputable name, a physical address, and a telephone number that you can use to cross reference your research.
- 3. Beware of incredible claims.** Every scammer promises unlimited wealth for easy, unskilled work. So if a claim sounds too good to be true, it probably is. Like any line of work, a home-based business will require skill, effort, and an investment of time.
- 4. Be patient.** Avoid high-pressure, limited-time offers. If you're looking to start a home-based business, you have a lot of work ahead of you — so don't let anyone rush you. Also, avoid divulging any personal financial information on forums or message boards — scammers prey on desperation.
- 5. Delete your spam.** There is a saying "If it's spam, it's a scam." Fraudulent offers for home-based businesses almost always arrive as unsolicited e-mails. And the better the offer sounds, the less likely that it is legitimate.

As a member of Kansas Blue Cross Blue Shield Credit Union, you can take advantage of the *Accel* program, a **free** financial education and counseling program. To use this service, simply call 1-877-33ACCEL (332-2235) or visit them on the web at www.accelservices.org.

