

# Your **FINANCIAL** HEALTH

A digest of money management tactics for the family physician

Summer 2007

## **AAFP:** *The Champion of Family Practice for 60 Years*

**Your Academy is your advocate and your voice.** Since 1947, we have been the bully pulpit for health care policies that benefit family physicians; the advocate and clearing house for medical education and practice management information that promotes quality practice methods; as well as the provider of grassroots support programs for services ranging from job placement to insurance, loan consolidation for residents, and even car rental and office supply discounts.

### **What have we done for you lately?**

Among our recent wins, AAFP has...

- Convinced CMS to increase payments for evaluation and management codes.
- Stopped a seemingly certain Medicare payment cut.
- Discussed policy and payment issues with national health plan leaders.
- Gained acceptance for the personal medical home concept among public and private sectors.
- Developed a tool to help you gather Quality Measures data and qualify for increased Medicare payments.

**We also actively promote** improved physician payment and fee schedules; “pay for value” reimbursement systems; relief from onerous and unnecessary regulations; and passage of medical liability reform.

**Visit [www.aafp.org](http://www.aafp.org) often** for access to a vast array of publications, products and services to help you with practice management, patient education and CME.

The Academy can help you stay on top of the legislative initiatives and changes that impact family medicine. And, you can utilize the data contained in AAFP position statements when discussing health care issues with your patients and lawmakers.

**What you can do:** We need your involvement. Your Academy is an organization of members helping members. Help recruit more family physicians into the Academy. There's strength in numbers. And become more involved



yourself. This means everything from sharing your ideas, recommendations, and time, to keeping your dues current and providing financial support to help your Academy continue to promote quality health care for patients and quality practice policies.

**The first step:** Make sure your membership is current. Contact AAFP by calling (800) 274-2237, or visiting online at [www.aafp.org](http://www.aafp.org). Thanks for your continued support. We enjoy serving you.

# An Essay on the Virtues of Money!

This essay is compiled from the upcoming book, *Men & Women & Money! Oh, My! A Couple's Guide to Financial Peace* by AAFP Insurance Services consultant John R. Ingrisano.

## **Money is a powerful tool.**

However, too many people don't know quite what to make of it. So, we sometimes send ourselves mixed messages about the value and importance of money. On one hand, many of us work like crazy to earn money, but then we turn around and treat it with contempt, as if it were somehow crass or dirty.

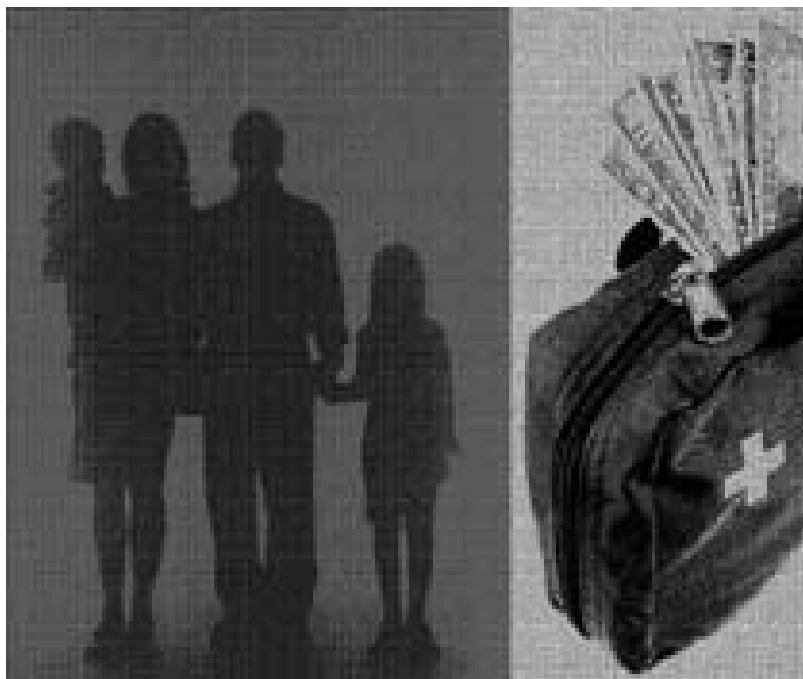
## **Whether we admit it or not, money plays a powerful role**

in all our lives. It directly impacts our most intimate relationships and our own personal well-being. Not sure you agree? Ask yourself how worrying about paying an overdue bill, using a credit card when you know you are already having trouble making payments, or discovering that you have a 31-day month but only a 28-day paycheck -- how all these distract you and reduce your ability to enjoy your life.

**In praise of money:** Money determines our standard of living and the physical quality of our life. It is money that allows us to clothe our children and keep a roof over their heads, to support our house of worship, to help others by donating to charities, and to put food on our tables or go out for a white-tablecloth meal on Saturday night.

It is money that decides where – and whether – our children go to college. Money is the tool that can get us the necessities as well as the nice things in life that we want. Beyond that, money funds breakthroughs in medical technology and pharmacology. And, yes, it's our tax money that funds the legislative, administrative and judicial systems that establish and defend the rule of law, protect property rights, and encourage free enterprise. Money helps fuel our economy, our caring society and our democracy.

Do not misunderstand. This is not to advocate a crass, brash, materialistic love



of money. Far from it. There is nothing less satisfying than money for its own sake. Money will not buy happiness. A quick scan through a copy of *People* or some other celebrity gossip magazine will show the fruitlessness of believing that money can buy happiness.

No, do not fall in love with money. However, do respect and appreciate it for the good it can do, and then start using it to achieve your goals.

The point is that money enables us to accomplish amazing things, starting with the ability to take care of our families.

## **How to turn money into your ally:**

**1. Review your attitude toward money.** Never feel embarrassed for having a healthy respect for money and what it can do for you and others.

**2. Use money wisely.** Recognize that it's a tool that helps us build something of value or make our lives easier. If you are not careful, it can enslave you, making you toil eight, ten, even fourteen hours a day to acquire it. If you learn how to tame it and master it, however, it will do whatever *you* tell it to do. *You* can

decide how, when and where it will be used.

**3. Analyze how you use money.** Make a list of how you have spent it wisely...and how you have not: Paid off a credit card bill in full (good); taken out a new credit card to get that 10% discount at a department store (bad); told your children or spouse, "No, we can't afford that right now" (good); decided you just couldn't pass up that super-discounted three-day vacation, even though you knew money would be tight next month (bad).

You get the picture.

## **4. Don't spend money. Allocate it.**

Set family and personal goals. Then use money to achieve them.

**5. Save at least 10%** of every dollar you bring home. If you save a portion of the money you work for today, that money will in turn work for you in the future. Wise investments -- especially tax advantaged investments -- are simple, effective tools for building wealth.

**6. Protect your money** from fire, theft, death and disability. You can work a lifetime and then lose everything you've achieved if your house burns down or is burglarized, if you die prematurely or become disabled. Use insurance -- homeowners', auto, life, disability and health -- to protect your money and your family.

**The bottom line:** You can squander the money you earn on senseless pleasures that bring no true satisfaction (and very often very little pleasure), or you can employ it to achieve your goals and to help you realize your dreams. You can become the master of your money or you can become its servant. The choice is yours.

# Should You Buy Insurance Online?

**We do it all the time --** shop around for the best price on a pair of shoes, a car, airline tickets. That's just smart, making sure we get the best value for the money we spend.

**So, how about insurance?** You've probably seen ads on TV offering a knock-your-socks off monthly premium for a "ton and a half" of coverage. Or perhaps you have clicked the compare-and-save button on the Internet, bringing you to a site that lists a half dozen policies from competing companies.

**Unfortunately,** if you have spent even a few minutes looking for that "End of Month" clearance sale, that "Limited Time Only" deal, or some discount website offering specials on insurance, you know that price shopping for the right coverage is not as easy as ordering the latest best-selling book or heartworm meds for your pet. So, before shopping online for your next insurance policy, consider the following:

## **All insurance policies are not alike.**

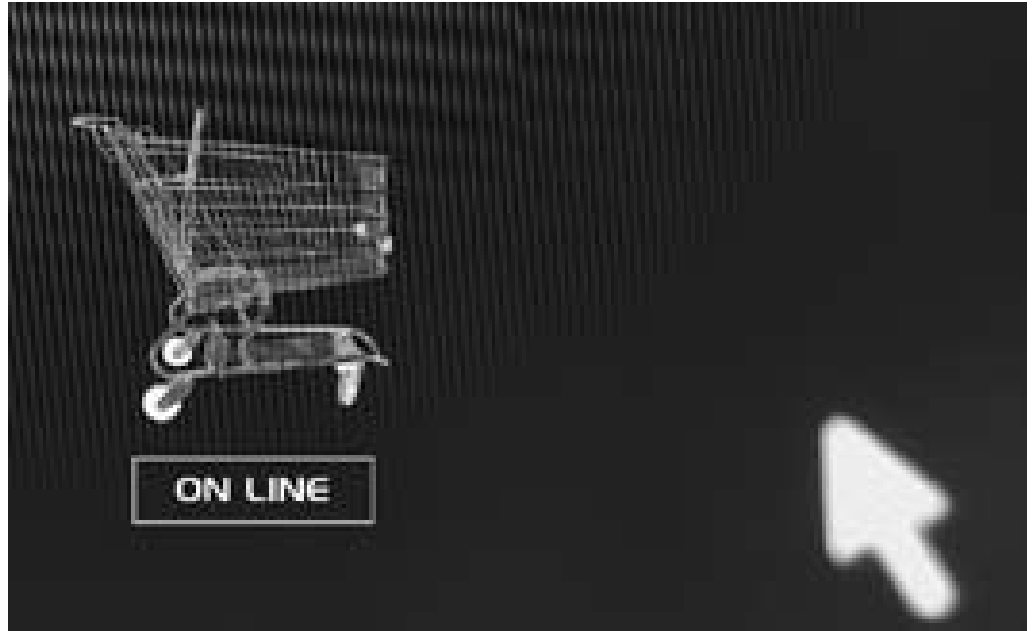
Each policy from different companies (and many from the same company) has subtle but major differences. So, when one policy is offered for \$450 and another for \$610, the savvy consumer searches for the answer to a key question: Why?

## **At the same time, you may not save time.**

You could spend hours calling toll-free numbers and clicking your way around the globe on the Internet to gather information, and still not have a clear idea why one policy is a better value than another. If you were hoping to save time, you may end up disappointed and more confused than enlightened.

## **A real danger, however, is that you could get a great deal on a product that does not meet your needs.**

Insurance is not like buying a book, computer or summer wardrobe. This is a product designed for the long-term, involving possibly hundreds of thousands of dollars in benefits, with consequences that may impact you, your spouse and children decades from now. The policy you buy is only as good as the company behind it, including its reputation for service.



**A smart way to buy insurance:** Your Academy believes that price shopping is not the best way to meet your protection needs and that there are a number of other factors to consider. This is why AAFP Insurance Services recommends that, when you are shopping for insurance...

**1. Value shop.** Look past price alone. Study the features and benefits to accurately evaluate what you are buying. Just because the product is available for a low number of dollars, that is no guarantee of a great deal. You have to look more deeply into the product.

**2. Understand your needs.** Your need for insurance may be subtly different from your neighbor's. One size doesn't necessarily fit all. Before you can purchase the policy that is best suited for you and your family, take the time to understand your needs.

**3. Understand the importance of working with a reputable organization,** one known for quality products and service. The company behind the policy is of vital importance. That's one reason why your Academy's association-group term life and disability insurance is underwritten by New York Life Insurance Company, which is one

of the top-rated, most financially solid insurance companies in the world.\* Plus, AAFP Insurance Services carefully selects and negotiates the best possible features and benefits for a competitive cost when designing coverage plans for members.

**4. Understand the importance of service.** With AAFP Insurance Services, for example, service is one phone call away. We are large enough to meet your needs, yet small enough to enable you to connect with the same service representative each time you call.

**5. Understand the value of sponsorship** by an organization you trust. For almost 60 years your Academy has carefully searched the market to select and negotiate the best possible insurance benefits, features and cost. The Academy-sponsored products are exclusively available to AAFP members and unavailable elsewhere.

**If you need personal-lines of insurance,** go ahead and shop around. However, be sure to compare them to your Academy-endorsed products.

\*New York Life Insurance Company has consistently received among the highest ratings from the leading independent rating agencies: A.M. Best, Fitch Ratings, Moody's Investors Service and Standard & Poor's for financial strength.

The AAFP association-group life and disability insurance plans are underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY, 10010.

**Soon your Academy will be announcing the availability of auto, homeowner, and long-term care insurance to its existing stable of term life and disability products. Watch your mail!**

# Your FINANCIAL HEALTH

Your Financial Health is published by AAFP Insurance Services, Inc., and is provided at no charge as one of our many services to members of the American Academy of Family Physicians.

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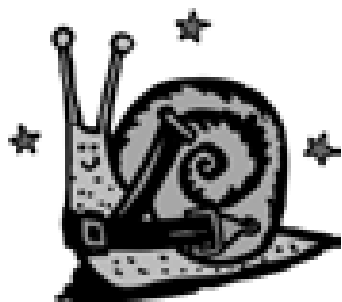
## ACF 2007 Management of Chronic Illness

This initiative focuses on the new model of care utilizing the Chronic Care Model to include options for management and treatment, delivery systems, information systems, decision support and self management support of chronic illness.



For a list of ACF 2007 programs, events and online resources, visit [www.aafp.org/acfchronicillness](http://www.aafp.org/acfchronicillness)

## FINANCIAL FOOTNOTES...



### Does your auto insurer give a safety discount?

Or maybe you will be penalized for driving that super-fast blue-streak sports car. Before you buy your next car, find out how it is ranked for safety by The Insurance Institute for Highway Safety. Visit [www.iihs.org](http://www.iihs.org) for more information.

### Protect your ATM card and your identity.

Avoid ATMs that appear to have been tampered with. The latest scam: A "card cleaner" attached to the machine with a sign that recommends sliding your

card through a skimmer before using...thereby capturing your card data.

(Source: [Bottom Line Retirement](#), May 2007)

### Do you need additional insurance when you rent a car?

Generally, no, reports [Bottom Line Personal](#) (May 1, 2007), if you travel in the U.S. and Canada, because you are probably already covered under your own auto policy. (This is not the case overseas, however.) Best bet: Check with your insurer before you rent a car.

## Your FINANCIAL HEALTH

Your Financial Health is sent to Academy members courtesy of AAFP Insurance Services, Inc. Material for this publication is written by John R. Ingrisano – author, educator and journalist on money management, business and financial matters. Mr. Ingrisano has served as an advisor to AAFP Insurance Services since 1985. © Copyright 2007

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AAFP Insurance Services provides Academy-selected and approved insurance coverage exclusively to members and their families.

If you would like more information about the insurance products available through AAFP Insurance Services, please let us know: (800) 325-8166 or [www.aafpins.com](http://www.aafpins.com)