



Consumer Issues

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Five Easy Ways to Start Saving

1. Pay off high-cost debt.

Focus on paying off debts that have double digit (10% or higher) interest rates or annual percentage rates.

2. Buy a home and pay off the mortgage before you retire.

For many families, the equity in their home is their largest asset. Housing expenses significantly decrease when mortgages are paid off. Yet, once there is no mortgage, the home can be borrowed against for an emergency or sold for cash.

3. Participate in work-related retirement programs.

Learn about the retirement programs offered by your employer. If tax sheltered programs such as 401K or 403B, plans are available, sign up and contribute what you can.

4. Use automatic transfer from checking to savings each month.

Putting your savings on automatic pilot is a great way to save monthly with little effort. By authorizing your bank to transfer money from your checking to savings account each month, you will quickly see your total increases. The amount saved could be your emergency fund or designated for other financial goals.

Source: "5 Savings Strategies." America Saves Web site: http://www.americasaves.org/back_page/5_savings_strategies.cfm.

5. Buy CDs (certificates of deposits) and U.S. Savings Bonds.

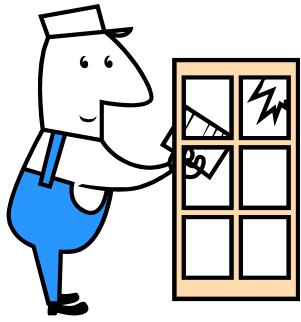
Certificates of deposit and U.S.

Savings Bonds offer another way to save money. CDs and bonds can be purchased from local banks. U.S. Savings Bonds can also be purchased directly from the U.S. Treasury and are available in denominations starting at \$50. More information on bonds is available at: <http://www.publicdebt.treas.gov/>.



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Protect Yourself from Home Improvement Woes

As warmer weather approaches, home improvement and home maintenance projects

might be added to your spring “To-Do” list. The first step toward being satisfied with the finished project is to do your homework and find a reliable contractor. The Federal Trade Commission (FTC) offers advice on how to decrease the chance of being ripped-off. Be wary of contractors if they:

- ◆ Solicit door-to-door
- ◆ Offer you discounts for finding other customers
- ◆ Just happen to have materials left over from a previous job
- ◆ Only accepts cash payments
- ◆ Asks you to get the required building permits
- ◆ Do not list a business number in the local telephone directory
- ◆ Tell you your job will be a “demonstration”
- ◆ Pressure you for an immediate decision
- ◆ Offer exceptionally long guarantees
- ◆ Ask you to pay for the entire job up-front
- ◆ Suggest that you borrow money from a lender the contractor knows. If you are not careful, you could lose your home through a home improvement loan scam.

To help you decide if a contractor is right for your home improvement project, talk to previous customers. These are some questions you might ask:

- ◆ Can I visit your home to see the completed job?
- ◆ Were you satisfied with the project? Was it completed on time?
- ◆ Did the contractor keep you informed about the status of the project, and any problems along the way?
- ◆ Were there unexpected costs? If so, what were they?
- ◆ Did workers show up on time? Did they clean up after finishing the job?
- ◆ Would you recommend the contractor?
- ◆ Would you use the contractor again?

On occasion, even if you do your homework, you might have a problem with your home improvement project. If problems occur, the following suggestion may help solve the problem. First, try to resolve the problem with the contractor. Follow any telephone conversations with a letter sent by certified mail, request a return receipt, and keep a copy for your files. In the event you are unable to reach satisfaction or a compromise, contact any of the following organizations for further information and help:

- ◆ State and local consumer protection offices
- ◆ Your state or local Builders Association or Remodelers Council:

Pennsylvania Builders Association

600 North Twelfth Street
Lemoyne, PA 17043
717-730-4380 or 1-800-692-7339
pba@pahomes.org

- ◆ Your local Better Business Bureau
- ◆ Action line and consumer reports. Check with your local newspaper, TV, and radio stations for contacts.
- ◆ Local dispute resolution programs

Source: “Home Sweet Home Improvement.” Federal Trade Commission (on-line): <http://www.ftc.gov/bcp/online/pubs/services/homeimpv.htm>. Accessed 10 January 2003.



Credit Card Security Measures

Have you been asked for the four digit number appearing at the end of the signature line on the back of your credit card when ordering a product over the telephone or on-line? While it takes a little longer to complete the transaction, be thankful that the merchant is taking the extra precaution to make sure you actually have the credit card in hand. As credit card fraud increases more merchants might request this number for telephone and on-line transactions.

Source: PennyWise. (Spring 2003). Penn State Federal Credit Union.



Filing a Complaint with your Private or Employer Health Plan

Do you thoroughly understand your health care plan? Disagreements between patients and their health insurance providers are likely to occur because patients do not understand how their health plan operates or which services it covers. The best way to avoid the frustration and uncertainty that accompanies a dispute with your health insurance provider is to know your coverage. At a minimum, follow the health plan's procedures for referrals and approvals, and know the rules that determine your payment. Knowing and understanding this information BEFORE a problem arises will help you make appropriate decisions about your health care.

If you must file a complaint, your health plan provider will have an established appeal process to handle the disagreement. Individual states have their own rules about how a health plan's internal appeal procedure must be structured. For cases eligible for an external grievance procedure, most have to finish the health plan provider's internal appeal process first, so it is important to learn how your plan's internal process works.

Although each health plan's procedures differ, Consumers Union lists basic tips consumers can use when dealing with health plan disputes.

- ◆ Contact the health plan's customer relations department first. Although many disagreements can be solved at this level, this may be the first step in a lengthy process.
- ◆ Assemble a file containing any paperwork you already have (i.e. bills or physician information).
- ◆ Keep a log of each telephone call you make to the plan. Record the date and the name of the person you talk to and take notes about your conversation.
- ◆ Before hanging up, find out what will happen next and when it will happen. If you do not hear from the plan by that date, make another phone call.

If your informal attempts to deal with the health plan are not successful, you will have to file a formal appeal. Health plan procedures vary, but all

will require written details. Be able to provide the following information in your written complaint:

- ◆ Your name, address, telephone number.
- ◆ Your insurance plan number or group code and member identification number or Social Security number.
- ◆ Your provider's name.
- ◆ Description of the service or procedure that you want to have covered.
- ◆ Information supporting why the service should be covered.
- ◆ Recommendations and referrals from your doctor regarding why the treatment or procedure should be covered.
- ◆ References to the section of the evidence of coverage that apply to your situation.

Keep in mind that you may have to file your complaint within a specified time period. For example, some health plans require appeals to be filed within one year of the date of treatment or within 60 days of the date the plan notifies you that your claim is being denied or whichever comes first. Employer-sponsored health plans must allow you at least 180 days (6 months) to file an appeal. Once the plan receives your written grievance, it will investigate the complaint and make a determination explaining what the plan is willing to do. Response times vary from plan to plan depending on the type of complaint. If you do not agree with the results of the initial investigation, most plans allow you to appeal the decision to a group of people who were not involved in the first decision. If your plan is subject to state external review requirements, the health plan will usually notify you of the denial of your appeal and provide information on how to file for an external appeal.

For more information about an external appeal in Pennsylvania contact:

Bureau of Managed Care (Complaint and Grievances)
1-888-466-2787

Pennsylvania Insurance Department (Complaints)
1-877-881-6388

Source: "A Consumer Guide to Handling Disputes with your Employer or Private Health Plan." Consumers Union and the Henry J. Kaiser Family Foundation. January 2003 Update.
<http://www.consumersunion.org/health/hm0-review/>.

Don't Sweat Cooling your Home



As energy prices rise, you may be concerned about rising cooling costs. The Federal Trade Commission (FTC) has some tips for conducting an energy audit to help you detect waste and gauge the efficiency of your cooling system. Local utility companies may offer a free or low-cost energy audit or you can opt for a “walk-through” to help you spot problem areas.

These are some areas that you consider during your “walk-through”:

- ◆ Service central air conditioning (AC) system each spring.
- ◆ Install a programmable thermostat or raise the thermostat setting when you are out to keep cooling costs down. You can save money by keeping your house warmer than normal when you're out, and keep the setting at 78°F when you're home.
- ◆ Clean or replace AC and furnace filters once a month or as needed.

- ◆ Seal holes around plumbing and heating pipes.
- ◆ Install drapes, shades, blinds and other window coverings. Keeping them closed during the day blocks the sun and the heat from the sun's rays.
- ◆ Consider replacing single pane windows with double pane windows with high performance glass. Look for low-emissivity (low-e) or spectrally selective glass. In warmer climates, select windows that are gas filled with low-e coatings on the glass to reduce heat loss.
- ◆ Open any foundation vents in the spring.
- ◆ Install and use ceiling fans to promote cooling air circulation.
- ◆ Prune shrubs and remove debris that may block airflow to you air conditioner.
- ◆ Plant a tree. Landscaping is a natural way to shade your home.
- ◆ Shade room air conditioners from direct sun to reduce their workload.

Source: “Cooling Your Home: Don't Sweat It.” Federal Trade Commission Consumer Alert. April 2001.
<http://www.ftc.gov/bcp/online/pubs/alerts/coolalrt.htm>

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