DOCTOR'S CROSSING
CARPE DIEM PODCAST
BY HEATHER FORK, MD, MCC

TRANSCRIPT

EPISODE 183 Making Sure You Have The Right Disability Coverage - Just In Case

With guest Dr. Stephanie Pearson

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SP: "The hospital provided coverage, unbeknownst to me, in fine print. It said it didn't cover work-related injuries, and I had no idea."

HF: Welcome to The Doctor's Crossing Carpe Diem podcast. If you're questioning your career in medicine, you've come to the right place. I'm Heather Fork, a former dermatologist and founder of The Doctor's Crossing. As a master certified coach, I've helped hundreds of physicians find greater happiness in their career, whether in medicine, a nonclinical job, or something else. I started this podcast to help you discover the career path that's best for you and give you some resources and encouragement to make it happen. You don't need to get stuck at the white coat crossroads. So, pull up a chair, my friend, and let's carpe that diem.

Hi there, and welcome back to the Doctor's Crossing Carpe Diem podcast. I'm your host, Heather Fork, and you're listening to episode number 183. When we started training to become a doctor, we rarely ever imagined that something such as an injury, accident, or illness could derail or even end our career. This is usually the last thing on our mind.

I remember when a disability rep came to talk to us in residency. It seemed to me like a lot of money for something I didn't ever expect to use. I did sign up, but I have to admit, I think it was more from peer pressure, because my fellow residents were also signing

up, than me being gung-ho to get this coverage. Especially when we're young and healthy, the last thing we think about is being disabled and not able to work.
Our very special guest today is none other than Dr. Stephanie Pearson, who initially appeared in episode 75, where she shared how a career-ending injury sustained while delivering a baby led to her starting her own disability and life insurance company. After her injury, Dr. Pearson discovered the heart-wrenching truth that she didn't have the disability coverage she thought she did.

She ended up going through a very dark period, dealing with the loss of her career and identity, as well as the financial implications as the primary breadwinner for her family. It was during this tough time she decided to make it her mission to help other physicians not end up in this kind of situation. To this end, she co-founded PearsonRavitz in 2017, a disability and life insurance company for physicians and others serving in healthcare, with her partner, Scott Ravitz.

Today, I'm thrilled to have Dr. Stephanie Pearson back to the podcast to give us the inside scoop on disability insurance and answer key questions about how to evaluate policies, the potential costs and benefits, what happens if you need to file a claim, and more. Without further ado, it is my distinct honor and pleasure to welcome Dr. Stephanie Pearson back to the podcast. Hi, Stephanie. Welcome.

SP: Hi. Thank you for having me back.

HF: I'm very excited. Your episode was super popular. And this is a topic that I'm hearing more and more about because, unfortunately, things happen.

SP: Yeah. To your point, when we're young and strappingly happy and healthy, nobody really thinks about this. But as we start to age and things do come up, and I think part of the reason you might also be hearing about it more is I do think that there's a bigger push in

the recent past about financial literacy for physicians. And so, this being a pillar of that literacy, I think we are starting to hear about it more.

HF: And it's good. It's part of empowering ourselves and not just signing documents and not really knowing what the implications are.

SP: Exactly.

HF: Now, in Episode 75, you told the story of what happened and this dark period you went through and how it resulted in the founding of this company, PearsonRavitz. So, we're not going to go into big detail here. And I'll link to this episode in the show notes. But for listeners who aren't familiar with you, would you like to give a little nutshell version of that story?

SP: Sure. The abridged version is I am an OB-GYN by training. And unfortunately, I was called down to do a precipitous delivery. And my patient was unable to get her epidural in time. And the very short version is while I was delivering the baby, I got kicked twice in the shoulder and initially had a torn labrum, was told I should be able to work because professional baseball pitchers pitched with torn labrums. And unfortunately, I developed a frozen shoulder. I had surgery. I went to sleep getting told I'd be back to work in 12 weeks. And that was almost 10 and a half years ago. I have considerable range of motion deficits and nerve damage in my left arm. I have not been cleared to do OB or operate.

And while I was cleared to do office GYN as tolerated, I was never given the opportunity. I was unceremoniously terminated the day my FMLA was up because in my contract, it said I needed to be able to do 100% of my job. And when trying to find a GYN only job, I was alerted that I was uninsurable for malpractice insurance because in one orthopedist note, it said I was a liability due to my injury. And so, as you are aware, it is impossible to practice as a physician without malpractice insurance.

HF: It's just a horrible string of events. And I want to better understand about the disability coverage and what happened there. But I just want to say again, I'm so sorry that this has happened to you. I imagine it's still affecting you currently in terms of mobility and function. And I don't know if you have chronic pain from it.

SP: That's an understatement. We'll hit the disability insurance stuff after. But personally, yeah. I still have chronic pain issues. I still go to physical therapy once a week. If I miss physical therapy, my body knows and lets me know. On a good day, I have about 110 degrees in extension. But my abduction really varies between about 35 and 90 degrees. I have had every modality under the sun. I've tried traditional medicine, non-traditional medicine, you name it. I am better at living through therapy and pharmacology and have no problem admitting it. And how bad it is varies on the day. I just can't let that run my life.

HF: Yeah, it's hard. I have a number of clients who have ranges of disabilities that they're dealing with. And it's very hard. It kind of really pulls at my heartstrings because no one wants to not feel good. We want to look at today how people can best prepare for something like this. And hopefully it never happened, but make sure that you're as well taken care of as possible. I'm curious what it was you found out about your disability coverage that surprised you.

SP: There were two big parts. One came from our employer group disability coverage. The hospital provided coverage. Unbeknownst to me, in fine print, it said it didn't cover work-related injuries. And I had no idea. In 2012, it was definitely the exception to the rule. But I will tell you that since COVID, we're actually seeing more and more of group policies that are not only saying that they're not covering work-related injuries, they're saying that they're not covering work-related illnesses. I don't know how we're supposed to prove where we caughtt that.

HF: Right, oh no.

SP: I realize I digress a little bit, but that was the big thing for me from my group policy that I had no idea. And then with my private policy, which admittedly, thankfully, I had something. Something is better than nothing. But what I thought I bought was truly specialty-specific. And while it was specialty-specific by my job, it wasn't specialty-specific by the definition of total disability. And what I mean by that is when you get a policy, you want to be covered for what it is you do day in and day out. You don't want to be held up against your peers. And my policy was that.

But there's a second piece, which is how does a policy define total disability? And what you want it to say is that you're considered totally disabled if you can't do your job regardless if you're gainfully employed in another occupation. Well, the policy that I had added a phrase that said, "Until you make your pre-disability earnings."

Taking a giant step back, when we talk about disability insurance, you're going to keep hearing that it's income replacement protection. So that phrase may make you think, "Well, isn't that all anybody needs?" Well, think about it. You want your future earning ability to be taken into account. I was not at my earning ceiling.

And what I have to do now, 10 and a half years later, every single month, I have to turn in my bank statements and my company's profit and loss statements. And there are months where PearsonRavitz does well, but I don't take a distribution, I'm salaried. And I get dinged and lose most of my benefit because I have equity in the company. And it's not what I thought I bought.

If I can make doing this what I need the day that I got hurt, would I need my disability insurance? Probably not. But it's kind of a mental FU that I have to relive this every single month when I turn stuff in and knowing that I wasn't at my earning ceiling. And it's not what I thought I bought. I was not educated properly. In hindsight, I feel as

though I was not advocated for appropriately. When I needed help, my broker was not helpful.
And so, there were a lot of gaps. And I thought I did the right thing. That's what's most frustrating, that I trusted somebody in thinking that they had my best interest at hand. And I didn't ultimately feel that way.

HF: Well, I think it's hard to extrapolate into the future when you're often signing these documents to what are the various permutations and what are the ramifications of some of these clauses. Now, a term we often hear is “own occupation”. Can you talk to us a little bit about that, Stephanie?

SP: Yes. You'll notice that I said specialty specific.

HF: Yes, yes.

SP: And the reason I say that is because there's actually no standardization of language in insurance. And so, companies can use the same phrases and define them differently. They can use different phrases and define them similarly. Even if we're talking about a specific carrier, if they have a group policy and a private policy, they may not match.

And so, I get a little bit remiss in using the term own occupation because it may be defined differently in different policies. But ultimately what we're talking about, and when I say specialty specific, it is that somebody is being covered for what it is they do day in and day out and that they are gauged against that ruler.

Let me take it a step further. In a lot of group employer policies, they may say that they're on occupation when you check that one box on your open enrollment packet. But when you actually read the fine print, it may be that it's “own occupation” for two years, and then it becomes any occupation. And the way that they define own

occupation is often what's called held to the national economy or the local labor market. It is not specific to what one employer does at one employee site.

What that allows them to do is cast a really wide net that says, this is what you would, could, should be able to do based on your training, education, and skillset. With a private good policy, and currently there are five companies that will actually give specialty specific language to physicians, you want to be gauged against what you do. If I put 100 OB-GYNs up against a wall, we're not making money the same way. We're not practicing the same medicine.

You may have one that only does OB hospitalist work. You may have somebody who only does GYN. OB-GYNs wear lots of different hats. I don't want to be compared to my neighbor. I want to be compared to how I practice, right? And also, there's sometimes a little bit of a lie of omission, in my humble opinion. Most group benefits, the definition for total disability is that you can't do your job as they've defined it and not be gainfully employed.

With private policies, the definition of total disability should be, you're considered totally disabled if you can't do your job, which they'll define by looking back about one to three years. Regardless, if you're gainfully employed in another occupation.

The change of one word makes a huge difference. Most of us are not hardwired to be stay-at-home people. I have the utmost respect for stay-at-home parents. I am not one. I used to say the old adage, “I'd give my left arm to be home with my boys more.” Turns out I gave my left arm to be home with my boys more, who were four and six at the time. And after six weeks, I was ready to kill everybody.

And I do a lot of disabled physician outreach work. The overwhelming majority of us figure out a way to be productive members of society, if for no other reason, just to get the heck out of the house. And I will say too, I don't consider myself a disabled human.

I'm a disabled OB-GYN. There are still a lot of things that I can do, but you don't want me delivering you if you're having a shoulder dystocia, or if you've been pushing for hours, or if you have a complicated GYN case. I'm not the one who should be doing it. I don't have the ability in my left arm to do an ethical good job.

HF: Yeah, you bring up so many great points, and there's a lot of nuance in disability policy. And if we step back for a minute, I just wanted to give the listeners some idea of how they decide who to get their policy with. And I understand there's a difference between a broker and an agent. Can you talk a little bit about that?

SP: Sure. And I do think that globally, those terms do get used interchangeably, but there is actually a distinct difference. Traditionally, an agent is somebody who works for one specific company and ends up getting incentivized to sell that one company over all others.

A broker, on the other hand, is kind of like Switzerland. That person has relationships with all of the major carriers and truly is not incentivized to sell one over another one. They should really be working for the client and not for said companies.

HF: It does seem optimal to me to be able to go to someone who doesn't have this vested interest in one policy and also be able to talk to someone like yourself, who is a broker, and you can talk about the different benefits of the features of the policies.

One thing I've mentioned in intro that we wanted to talk a little bit about costs and benefit, what typically would a disability policy cost someone over a lifetime? And what are some of the benefits we might not even be thinking about?

SP: I can't really put a dollar amount because so many factors go into the cost of a policy. I will say that there is a rule of thumb out there that men should expect to pay one to three percent of their gross income to put towards disability insurance. Women, on the

other hand, should expect to pay two to six percent. It is not entirely as sexist as it appears. It is based in real actuarial data that women tend to, across all fields, leave the workforce more often because of injury and illness.

The flip side is true for life insurance. It's more expensive for men, and that's because historically they die younger and more successfully at their own hands. So, that's kind of the umbrella answer.

As far as benefits and pieces of the puzzle, what's good for one person may not be what's good for their neighbor. And every carrier has nuances that make them unique. For instance, one company right now has a COBRA benefit. If you can't do your job, you're going to lose your job. And if you're an employed physician, you're going to lose your health insurance. Well, that's really sexy for somebody who may be single, who has a partner that doesn't have good group benefits. Completely not sexy for somebody who's a 1099 and already buys their own health insurance, who has a partner that they could jump on their benefits.

So, it depends on to whom I'm speaking. There's one company that has a family care benefit. If you have to miss time to take care of a seriously ill loved one, you may get a benefit. Well, that might be really great for somebody who knows that their parents are going to be their charge, or for somebody who hasn't had children yet and is worried about what mother nature is going to do.

There's no clear answer on what's best out there. It is a completely individualized, nuanced endeavor. And I think that if you're speaking with someone about this as a commodity, you do want to make sure that you're getting taught what the differences are amongst these companies.

HF: That's interesting. I wasn't even aware of that potential benefit if you need to care for a family member. One thing I've heard from some people that I know who have had to file claims is that this can be a very stressful time.

SP: That's an understatement.

HF: It doesn't always seem like the disability company is your friend. And then down the road too, there seem to be challenges when let's say you had own occupation or specialty specific coverage, and then you want to do another job. This dicey in-between gray area of, "Well, if you can't be a surgeon, can you open a med spa and do procedures?" Or what is this gray area? And are they going to be monitoring you? Is someone going to be stalking you? And could you potentially compromise your disability?

SP: Again, you are great at asking questions that have a lot to unpack. To say that it's a difficult time really is an understatement, because you're dealing with potential loss of identity, loss of career, loss of finances. And while you're trying to physically heal, all of a sudden you have a whole new entity in your plate.

Now, I will say kind of patting myself on the back a little bit, it's the place where I'm incredibly passionate about. Anyone can sell this stuff. It's the service on the back end that I think really matters and delineates service. Any one of our clients that has to go out potentially on claim, I call, they get my cell phone number, I help get their claims packets. I talk about what my experience was like, things that they can do to help their claim, things that they shouldn't do that might hurt their claim.

I do let them know that there may be a PI following them. I know I had one. And I tend to say, black and white cases get paid. It is some of the grayer cases where they may challenge. And I understand why I got challenged, mine was range of motion and pain. Pain is somewhat subjective. Now I had a positive EMG, so they listened, but not everyone's going to have a positive nerve study.

And I talk about, look, there's a tyranny of perfection that exists in medicine. We're supposed to be stronger than, tougher than, more resilient than, put your head down, suck it up, keep working. And when we get these claims forms, there's an instantaneous push to want to not show weakness and not show vulnerability. And I tell people, you can't do that. This isn't the time to be a hero. This is the time to be vulnerable. And think about your worst day, not your best day.

Because ultimately, look, I want these companies to be able to sniff out fraud. And there's a lot of fraud out there. If you're honest and you're forthcoming, you have nothing to worry about. And knock on wood, we have 100% success rate with our clients that have gone on claim getting paid. We did have one file that the policy got rescinded because the client truly was misrepresentative on her application.

And unfortunately, because so much of what we do is virtual, I can only do my best if you're being honest. And we give people so many opportunities, to be honest. I'm not omnipotent. But for all of our clients that have had legitimate claims, they've gotten paid.

HF: That's a great record, Stephanie. I really hear your passion about this. And that's just one reason why I wanted to have you on the podcast. And I'll just talk about this right now too, to my audience is that Dr. Pearson and PearsonRavitz is our first sponsor for the podcast. And one reason it's taken me a while to actually have a sponsor because it's very important to me that I choose someone who I feel has a lot of integrity, represents a great service that can be a benefit to you. And I'm honored to have you, Stephanie, because this is such an important area and who could have a better representative than someone like yourself who's gone through this experience and knows the ins and outs and truly cares.

SP: Well, thanks. I like to think that that's my differentiator. Part of the reason that we chose to sponsor you is the same reason that I think that you're putting out amazing content. And I want to be able to support physician entrepreneurism and it's hopefully a win-win.

HF: Thank you very much. I definitely do my best to bring valuable content and resources such as you. It's an honor. Now we're getting close to the end of the podcast. I do try to keep things right around 30 minutes. There's a lot more I would like to ask you, but let me ask you, Stephanie, is there anything in particular you want to make sure we cover that we haven't addressed so far?

SP: I think the biggest thing is you have to be educated and don't accept one line on your open enrollment packet for what your employer's giving you. There are a lot of places in group coverage that pale in comparison to private coverage and something I hear a lot is, “Oh, I get covered through my employer. I'm fine.” And when you start to really get into the details, I get to be in this unenviable position of telling people where they're not as covered as they think they are.

HF: Let's say someone's listening and they have a policy. Maybe they have one through their employer and or a separate one. Are they able to do a consultation with you to have it reviewed and get your advice?

SP: Yes, we do a decent amount of audits. We are nothing if not brutally honest and transparent. If you have something that's good, we'll tell you it's good. And if you have something that's not good, we'll evaluate other options and see what makes the most sense. And again, it's a completely individualized process.

HF: When you have physicians who haven't had any disability and perhaps they're mid-career, obviously their health is going to really weigh in here. But do you see all things being equal that it's harder to get a good policy when it's later on or maybe you let go of a policy and now you're trying to get a new one?

SP: As I mentioned before, there are a lot of factors that go into costs and getting a policy. Age, morbidity, where you are, what you are. If you are somebody who is clean, no major medical problems, medications, no history. It's not going to be more difficult. It's absolutely going to be more expensive for a couple of reasons. One, because you're older. But two, during training, residency, fellowship, there are discounts that are available that once you lock it in, it stays with you for the life of the policy. So, if you haven't taken advantage of that when you were able to, it makes a huge difference in costs. And I was one of those people. I didn't know about this in training. I got it as an attending. I paid a lot more for my policy.

HF: Well, that's a very good point. I think that'll be helpful to people who are listening here. Do you have any other misconceptions that you might want to debunk here that people have about disability policies?

SP: I spoke to one already, that group benefits are enough. Two, I think a lot of people don't realize that if your employer is paying for said group benefit, that the money is received is actually taxable. I think a lot of people aren't aware of that. I think on a private side there are companies that don't have the right language and you want to make sure that it does and honestly that it's too expensive.

My counter argument is it's a lot more expensive to be disabled and not have money coming in. And just because you qualify for a certain amount doesn't mean that you need to purchase it all. You have people that may have dual income households and maybe they both don't need the full coverage. I do always say that both should have something. I probably two to five times a week we get people who are going through divorces who thought that their partner was their insurance policy.

I always recommend that both partners have a policy. They may not need the maximum policy they need enough so that if God forbid something happens, they have the ability

to increase their coverage. And so, I think that there are ways to reverse engineer a policy to fit any budget. And at the end of the day, we ensure so many other things in our lives that we are actually less likely to use than disability insurance.

HF: That's a really good point. When you have a consultation with a physician or another potential client, what are some things that they should come to the meeting with?

SP: Honestly, an open-mindedness. We do a lot of what I refer to as field underwriting upfront. We have an intake form that's essentially like going to your PCP. We purposefully ask your past medical history, your past surgical history, your height, your weight, your medications, because I care a lot about managing realistic expectations and I want to be able to guide you based on what I know to be true in the underwriting space and time.

This is not a quick process. You shouldn't just be sent policy information without being educated about it. And so, we will never be what I refer to as kind of the "monkeys." I'm not going to send something out and not explain what you're looking at. And so, our initial calls are upwards of 40, 45 minutes, but I guarantee you that you will walk away with an understanding that you haven't had before. And so, I'm just asking people to be honest, I'm asking people to give me a little bit of time, but I promise it's worth the effort.

HF: Excellent. Would you like to tell the listeners how they can find you and learn more about PearsonRavitz?

SP: Sure. Our website is rearsonravitz.com. I'm also on all social platforms right now. Facebook, Instagram, LinkedIn. We even just started TikTok. You can find me Stephanie Pearson MD, PearsonRavitz, Stephanie Pearson. I feel like I am more accessible now than I ever was in my life.

HF: We definitely will have this link in the show notes to PearsonRavitz and if anybody has any questions they can also reach out to me. But we definitely want you to be able to have access and get the help you need. Are there any last thoughts you wanted to share, Stephanie, before we wrap up?

SP: I would say don't wait. While you are young and healthy-ish is the best time to do it. However, that's not to say that you can't play catch up. So, you're never in a bad spot to have this evaluated.

HF: Excellent. Well, it was so great to have you on the podcast. I'm excited to have you as our very first sponsor and thank you so much for coming on.

SP: Well, thank you for having me. It is also an honor for me to be back and to be helping to support you. I'm happy to answer any questions anybody has at any time. So thank you for doing good work.

HF: Excellent. You're so welcome. And to my dear listeners, I very much appreciate you being here. And I would also like to say, don't wait if you're not happy in your career. You can go to the Doctor's Crossing website and under the freebie tab are a bunch of different free resources and things to help you with your career journey, as well as a starter kit that will help you walk forward from the crossroads empowered with lots of information and help. So, you can find that again at doctorscrossing.com under the freebie tap. Can't wait to see you next week. And as always, don't forget to carpe that diem. I'll see you in the next episode. Bye for now.

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Podcast details

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