

HEALTH News & Notes

Health Insurance Checkup: Tips For Choosing The Right Plan

by Bob Novelli

(NAPSA)—Following a few simple steps and knowing key terms can make finding the right health plan easier.

Most people look first at premiums, but remember: If you use lots of health care services, a lower premium may end up costing you more in out-of-pocket expenses.



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Steps you can take:

1. Assess your needs:

- Do you require specialists, specific treatments or chronic care?

• Do you need to cover vision, dental or medical equipment?

- Do you want to keep specific doctors or are you willing to find new physicians?

2. Evaluate your finances. Pick a plan that provides the services you need at a price you can afford.

- Do you prefer a less expensive plan with higher deductibles or a more expensive plan with lower out-of-pocket costs?

- What about an HMO with restrictions on access to specialists but much lower cost sharing?

3. Gather information on your options. Compare specifics carefully. For each plan, ask for a list of covered medications and services and check if your choice of participating doctors. Check any online resources as well.

Understanding Your Choices

There are three basic managed care choices: Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs) and Point-of-Service (POS) plans.

HMOs are the most restrictive but usually have the lowest de-

Individual Policy Coverage Tips:

Consider the following when choosing a health plan:

- Evaluate your budget, physician preferences and health requirements;
- Discuss your options with a health insurance broker and answer questions honestly to find an appropriate policy;
- Look for information online and shop around to determine the best value for the price;
- Find out if you can get coverage through a trade association health plan, which may offer lower rates than individual policies;
- Read the fine print on any policies;
- If you are self-employed, most of your health insurance premium is tax deductible.



ductibles and co-payments. You choose a primary care physician who provides referrals to specialists in a particular medical group. HMOs cover in-network physician services only; with limited exceptions, if you go out of the network, you pay the full bill. Recommended for those who don't want a lot of out-of-pocket costs when they go to the doctor, don't want to deal with paperwork or claims forms and are willing to stay within the network.

PPOs offer the most freedom but often have significant deductibles and co-payments for doctor visits, and you may pay 20 percent of hospital bills. No referrals are required and you can go in or out of network to see providers, but the costs for in-network physicians are lower. Recommended for those who don't mind the higher out-of-pocket costs and want to be able to access a large network of providers.

POS plans are a cross between HMOs and PPOs. With these, pri-

mary care physicians refer patients to in-network physicians, but you can also go to providers outside the plan and get limited coverage. If you use a lot of health care services, POS plans are more expensive than an HMO but less expensive than a PPO. Recommended for those who don't mind a limited network but may have one or two doctors outside the network.

There are also consumer-directed health plans, which generally feature a low-premium, high-deductible PPO plan plus a Health Spending Account (HSA). High-deductible plans offer affordable coverage for a catastrophic injury or illness but can be very expensive for people with chronic medical conditions. Recommended for those who rarely go to the doctor and want the lowest possible premiums.

HSAs are tax-advantaged medical savings accounts for those enrolled in a high-deductible plan. The funds contributed to the account are not subject to income tax but can only be used to pay for medical expenses such as deductibles, co-payments and out-of-pocket expenses. If you don't spend all the money in your account, you can use it the following year or take it with you if you change jobs.

A Flexible Spending Account (FSA) lets you contribute pretax dollars for use against out-of-pocket health care and dependent care expenses. Recommended for those with planned high out-of-pocket health care expenses.

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