

BENEFITS CORNER



Can You Save Money on Your Health Insurance?

Health Insurance is pretty expensive these days—it's a common lament for most of us. The question I would like to address is, "Are there things you can do with the health insurance plan that can save you premium?" I like to think that there are! The focus of this advertorial will be only on the health insurance plan, as there are several tools that might be used in conjunction with the insurance that could further reduce the cost.

I like to think of available health insurance plan options along a spectrum of choices. At one end, are plans that have very low doctor's office visit co-pays, low prescription drug co-pays, and low hospitalization deductibles or co-pays. These types of plans put very little day-to-day financial exposure in accessing medical care to the insured person, but are typically the most expensive. At the other end of the spectrum are plans that have a significant deductible (\$2,500 to \$10,000 per year) that applies to all medical treatment. These types of plans will be the least expensive in terms of premium, but

come with financial risk to the insured person should he or she need medical treatment. In between are policies that have some combination of co-pays for office visits and prescriptions and deductibles of \$1,000 to \$2,500 for hospitalization.

A question that must be answered before you can choose the plan that is right for you is this, "What do you want your health insurance plan to do for you?" Most people would say that they would like to have their health insurance plan pay for everything and come with a low premium as well! Unfortunately, that is not possible anymore. If you want a plan that comes with low co-pays, you will end up paying a fairly high premium.

The reason for this is that you have taken away the cost of getting sick or injured and made the insurance company responsible for the vast majority of all your medical bills. That can be a great thing if you do have a significant illness—you will probably receive more in benefits back from the insurance company than you paid to them in premiums. However, if you only go to the doctor's office a few times during the year, then you paid the insurance company much more money than was really necessary.

I like to recommend to most people that they don't give the insurance company more money in premiums than they really need to. Purchase a plan that covers you in the event of a significant health problem, but makes you responsible for most of the minor medical expenses that come up throughout the course of the year. Plans like this usually have a mid-range deductible and, if they have co-pays for office visits and prescriptions, the co-pays will be a fairly high amount. This type of plan will make the premiums seem much more affordable.

Another way to get comfortable with these higher deductible policies is to compare it to the way your car insurance plan works. With car insurance, it is easy to save on pre-

miums if you are willing to have a higher deductible. Additionally, your car insurance does not pay for routine maintenance like oil changes, new tires, and tune-ups. If you think of those trips to the doctor as "minor service" visits, it is an easy step to move away from having your health insurance plan pay for them. In most cases, these minor service visits will still apply to your deductible. In the end, you will likely save money from year to year if you do purchase a health insurance plan that covers the big-ticket items and not all of the routine maintenance.

Finally, make sure your health insurance plan has the physicians you want to use in their network. A good network of health care providers will provide you with two significant benefits. The first benefit is that you will not have to pay "retail" for your medical services, even if the charge is going toward your deductible. When a provider signs the network contract, they have agreed to accept as payment in full the agreed to reimbursement level. The second benefit is the peace of mind that comes with knowing that you can go to the health care provider that you like already.

I wish you the best! See you next month!

Mitch Michener, RHU, REBC, can be reached at Evergreen Benefits Group at The Stone House Business Center. (303-670-0935) mitch@everben.com.

*As printed in the February 2005
issue of Colorado Serenity*

