

Tips For Selecting Health Insurance

1. Check for grandfather exemptions. If your employer makes no substantial changes to your insurance plan, it may be "grandfathered in" and not subject to certain required provisions in the health reform law. These include free coverage (with no copay) for preventive services like blood pressure or depression screening, smoking cessation programs, and immunizations. Plan materials will indicate whether or not the plan is grandfathered, along with the benefits it provides.

2. Decide which plan type best meets your needs. There are generally three types of plans: health maintenance organizations (HMO), preferred provider organizations (PPO) and point-of-service plans (POS). An HMO requires that you use physicians within a specific network, giving you less flexibility but a more affordable cost. A PPO allows you to stay in-network or go out of network for a heftier fee; out-of-pocket costs are usually higher for PPO's than for HMO's. POS plans combine elements of HMO's and PPO's. They give you the option to pay more for venturing out of network, but usually require you to choose a primary care physician within the network and get a referral from that physician before seeing any specialist.

3. Identify changes before re-enrolling. That could save you from dealing with unexpected costs if your benefits have changed. Coverage for a particular service such as chiropractic care may have disappeared, or the cost of covering your spouse may have increased. So it could pay to change plans. More likely, your monthly premiums have gone up, due to rising healthcare costs.

4. Make adjustments to your current plan or consider switching. Take into account whether your needs have changed. If you're planning a family, you might need maternity coverage, for example, or perhaps you'd like to add an adult child back onto your insurance. All plans are now required to cover children up to age 26, though grandfathered plans may exclude these young adults if they have access to health benefits through an employer. Adult children, like those under 18, can no longer be rejected for having pre-existing conditions like asthma or cancer.

5. Factor in your favorite doctors. Before electing a different plan, check to see that your primary care physician and specialists are in its provider network. Women in non-grandfathered plans now have the freedom to see an obstetrician-gynecologist without a referral, but they still need to make sure any doctor they choose participates in their plan's network if they have an HMO or don't want to face extra fees if their plan is a POS.

6. Size up the cost. Compare the total cost of various plans using an online calculator, a tool offered by many employers. If you are young and healthy, you may want to trade pricey monthly premiums for a higher deductible (paying more out-of-pocket before coverage starts). Be sure to factor in copays (the physicians' fees) and coinsurance (your share of the cost for prescriptions or hospitalization).

7. Don't get lured by those new freebies. While new plans now require you to pay nothing for [certain routine preventive care](#), you might not need to switch off your old plan to reap this benefit. Many plans were already offering preventive services at minimal or even no cost prior to the passage of health reform

8. Consider opening an account for your healthcare expenses. To save on premiums, think about setting up a healthcare savings account to help pay for prescriptions, contact lenses, and other medical expenses. Contributions to a health savings or flexible spending account are subtracted from your pretax income—a big plus. There are, though, some drawbacks to both. A health savings account has to be paired with a high-deductible plan—with an annual deductible of more than \$1,200 for an individual and even more for a family. While a flexible spending account can go with all plan types, you lose any leftover contributions that go unused at year's end.

9. Check out the prescription coverage. Your plan may add or drop certain drugs that were covered the previous year, so make sure whatever pills you take on a regular basis are still covered this year. This information is included in a plan's listing of medications or formulary and may be available online. Find out if there are additional discounts on generic drugs and whether you have the option of saving more by receiving prescriptions by mail.

10. Take advantage of wellness incentives. Companies often offer employees cash incentives to complete a lifestyle questionnaire that covers things like exercise and smoking habits. Employers use these assessments to encourage workers to participate in wellness activities such as fitness programs or smoking cessation to reverse bad habits and lower health premiums for the company and its employees.

11. Don't forget to reconcile your spouse's coverage with your own. If your spouse or kids are covered under your plan, make sure your employer is still contributing the same amount toward premiums for family plans. Some have begun charging for each dependent, which could make it too expensive to add that 22-year-old child back onto your plan. Employers are also increasingly adding surcharges for spouses whose companies offer insurance; you may find it's no longer cost effective to keep your spouse on your plan.

12. Plan for the worst. Experts advise employees worried about being laid off to consider a plan with a lower premium. Laid-off employees who continue coverage through COBRA now have to pick up the entire cost themselves, or opt out of COBRA and purchase individual insurance.

**Presented by:
J. Bryan Cash**



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Hodges Insurance Agency, Inc.

P.O. Box 330 • 120 North Main Street • Louisburg, NC 27549
main: 919.496.5155 • fax: 919.496.2723



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