



## Tips for Choosing a Health Plan...

### ...That May Not Leave You Bankrupt

Even with health insurance, you may have very high out-of-pocket costs for your healthcare in addition to premiums and copays.

In a recent study, the Commonwealth Fund found that about 41 percent of adults with gaps in health insurance coverage or those underinsured, some 72 million working-age people, reported problems paying medical bills or were paying off accrued medical debt during the past year. Similarly, a Harvard study found that half of all bankruptcies are caused by medical bills, and three-fourths of those bankrupted had health insurance at the time they got sick or injured.

Before choosing a health insurance plan, ask these questions to protect yourself as much as possible from getting stuck with hefty medical bills when you need care. Keep in mind that there are no guarantees, since your health insurer will decide whether a specific treatment you need will be covered and you may not be able to find out ahead of time. Health insurers treat these decisions as trade secrets and do not make this information publicly available.

### If you can get insurance through your or your spouse's employer:

You are guaranteed coverage regardless of any medical conditions you may have. You will not have any pre-existing condition exclusions and you will pay the same as every other employee in the health plan. Employer-sponsored insurance generally offers better coverage than insurance policies available through the individual insurance market. If you have a choice of plans ask your Human Resources Department for help answering the questions below about the different plans you have to choose from.

### If you do not have health insurance through an employer:

If you do not have health insurance through an employer, the type of insurance you can get and at what price depends on what state you live in, your age and your health. Individual insurance policies generally offer less coverage and cost more than employer-sponsored or other group plans. Therefore, look into any associations, such as professional organizations, you may be able to join that offer group health coverage you can buy into. For more information about your options, call your state department of insurance or the constituent services staff of your member of Congress.

In most states, health insurance companies can turn you down for individual insurance if you have or have had any medical condition, including asthma, diabetes or a simple urinary tract infection. In those states, your only option may be the state's high-risk pool.

**To find out what insurance companies are allowed to do in your state, visit**

**[www.insurancecompanyrules.org](http://www.insurancecompanyrules.org)**

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## Questions to Ask When Choosing a Health Plan

### Cost

Most people are only concerned with their premiums and copays thinking about the amount they will have to pay in an average year. But insurance should be about being protected if the worst happens. You will likely have more coverage and greater financial protection in a plan that covers all types of care and costs you more in an average year, but has an out-of-pocket maximum for which you can budget.

So, you should certainly know the answers to the following general questions:

- How much is my monthly premium?
- Will I have to pay an annual deductible? (Amount you have to pay out-of-pocket before the plan starts to pay for anything.)
- How much is my copayment for a visit with my PCP or a visit with a specialist?
- How much will I pay for brand-name drugs? How much for generic drugs?
- How much will I pay for a hospital stay?
- How much will I pay if I use a non-network doctor or hospital?
- Are there higher out of pocket payments for certain types of care, such as hospital stays or cancer treatment?

**But make sure you know the answer to these questions, which most people never ask:**

- Is there an annual out-of-pocket maximum? (After you spend a certain amount--not including premiums--will your care be fully covered or very low-cost?)
- Are all services included in the out-of-pocket maximum? (For example, some plans may not include some or all of the cost of chemotherapy drugs in their out-of-pocket maximum.)
- Is the out-of-pocket maximum an amount I can afford?

### Benefits

When you need medical care, if the type of care you need is not covered, you will have to pay for it entirely out-of-pocket. Find out exactly what the plan covers before joining.

- What benefits does the plan offer? Does it cover mental health care, prescription drugs, physical therapy?
- Are any prescription drugs you take on the plan's formulary (list of covered drugs)?
- Are there limits or caps on any benefit? For example, does the plan only cover a limited number of physical therapy visits?

### Access to Health Care

Not following your plans rules can cost you because the plan can deny payment. Make sure you choose a plan whose rules you can live with.

- How long will I have to wait for an appointment with my PCP or a specialist?
- Do I need a referral to see a specialist? How easy is it to get referrals to specialists from my PCP? How long does each referral last?
- Does my doctor need to get approval from the plan to admit me to a hospital?
- Does the plan provide an incentive for my doctor to deny or reduce services? For example, does it cost my doctor money if she provides costly services to me?
- What do I have to do in an emergency to ensure my care will be covered?

## **Doctors, Hospitals and Other Health Care Providers**

Generally, you will have to pay less if you see doctors and other healthcare providers that contract with your health plan—are in the plan's network. In some plans, like HMOs, you may have to pay the full cost of care from out-of-network providers. In some plans like PPOs, you may have to pay a higher coinsurance to see out-of-network providers.

- Will I be able to use my doctors? Are they in the plan's network and are they taking new patients under that plan?
- What will happen if my doctors leave the plan?

## **Service Area**

Finally, if you travel a lot or live part of the year in a different state, make sure you will be covered wherever you are.

- What service area does the plan cover?
- What kind of coverage do I have if I travel outside of the service area?