



Tips for Choosing a Health Plan

Comparing health plans can be confusing and time consuming. But knowing what you are looking for and your personal health priorities can help to make the process simpler. Whether you are purchasing an individual policy or selecting a plan through your employer, assess your expected situation for the coming year and select accordingly. Here are a few things to pay attention to throughout the selection process:

Understand what kind of organization and coverage you would like to work with. Is it an HMO, PPO, or POS plan?

At the most basic level, this will determine how you manage your provider relationships over the next year.

- **HMOs** are typically more restrictive and require referrals, but they generally have low out-of-pocket costs.
- **PPOs** are less restrictive when it comes to provider selection, however they typically have higher initial out-of-pocket costs.
- **POS** plans provide the largest amount of provider selection, yet typically have higher costs when you choose to go out-of-network.

Look at how the plan is financially structured and decide what is most important to you. Is it your yearly out-of-pocket costs or the deductible and premium amounts?

- Typically a higher deductible translates to a lower monthly premium.
- If the plan has co-insurance (how you and your insurance company split the balance on claims after the discount has been applied). If the co-insurance is 80/20, that means you will be responsible for 20% of the cost; 90/10 = 10%.
- If you frequent the doctor multiple times a month or need surgery – having a lower co-pay with a higher premium may make sense.
- If you rarely visit the doctor – a higher deductible/higher co-pay with a lower premium may create cost savings for you and your family.

Look at the network.

- Is there a wide selection of providers or are the options limited?
- Double-check to see if your most important providers are in-network. For example, you may decide it is important to have your children's pediatrician or favorite dentist in-network.
- Next, check to see which local and regional hospitals are in-network (if you have multiple options).

See how the pharmacy plans compare.

This can really impact your out-of-pocket expense depending on the number of prescriptions you need.

- Do you take any maintenance medication?
- Some plans have a standard co-payment on drugs. For example, you may have a \$20 co-payment unless the drug costs less.
- Other plans have lower co-payments on “preferred” brand name drugs or generics. For example, generics may be \$10, preferred brands \$20 and others \$50.

Always read over the dental, vision and behavioral health coverage.

- There are often limits on this kind of health coverage. Some policies restrict the type and amount of coverage.
- Often supplemental coverage is needed.

Finally, remember there is always a trade-off! If you are looking to pay a lower premium, you can probably expect to have less coverage or a smaller network. If you have a small deductible, you can expect to have a higher monthly premium.