



Open Enrollment Season: How to Choose Your Health Plans

Winter is upon us. For Oregon residents, this means it's time to marvel at the frost-covered trees, rest tired feet by the woodstove and enjoy health insurance open enrollment season. Wait ... enjoy? OK, perhaps "manage" is a better word to describe this daunting time of year when many employees in companies across Oregon have a chance to reconsider their current health plan.

Approximately 84 percent of Oregon residents have health insurance. Many may be intimidated at the task of choosing a new or different health plan. With these quick tips, the process could be easier this year. If you decide to stay with your current plan, use this information to make the most of your coverage.

If you're considering changing your health plan or choosing a new plan altogether, ask yourself the important questions below to determine which plan will best match your needs.

- Do you or your family members have any chronic health conditions?
- Are there significant life changes in your near future such as starting a family or retiring?
- Do you or your family members need access to health care in different locations because of frequent travel? Or do you have children in college?
- How much are you willing to spend on premiums or deductibles?
- Do you need to have unrestricted access to doctors or hospitals, or are you willing to use a network of 'preferred providers'?
- Are you willing to go through your primary care doctor to get a referral if you need care from a specialist?
- Are you able and willing to track spending, save receipts and file claims if it results in savings?

Once you know your options, examine the specifics of each plan and consider the following questions to make sure your plan will meet your needs.

- What is the deductible? After the deductible is met, what costs will your plan cover?
- Will you have to make co-payments for services? How much?
- Will any services be limited? If your insurance doesn't pay for services, what are the out-of-pocket costs?
- Are services such as immunizations, prescriptions, prenatal care, dental, vision, mental health, physical therapy or alternative health care covered?
- Is there a limit on your plan's coverage?

- Is your doctor in the new plan's network? If not, are you willing to find a new doctor in the network?
- Are your plan's provider offices close to your home and/or work?

Until recently, most Americans had indemnity insurance coverage. Indemnity plans offered financial protection for major medical expenses, like hospitalization or chronic illnesses. They usually didn't cover any preventive care services, and didn't have networks of participating medical providers. With an indemnity plan, you would seek treatment, pay the charges, and submit a claim for reimbursement. After your annual deductible was satisfied, the insurer would reimburse a percentage of the billed charges.

Now, most Americans with health insurance are enrolled in some type of managed care plan, which includes preferred provider organizations (PPOs), health maintenance organizations (HMOs), and point-of-service (POS) plans.

PPOs are closest to indemnity plans and offer the most freedom. PPOs have arrangements with medical providers who have agreed to accept lower fees from the insurer. As a result, your cost will be lower for providers in the network, but you may also use providers outside the network, and no referrals are required.

HMOs are the most restrictive type of managed care. You choose a primary care doctor to manage your care, and specialist services are covered only if referred by your primary care doctor. HMOs only cover services provided by doctors in their network; if you go outside the HMO for care, you will pay the bill.

A POS plan is a cross between an HMO and a PPO, allowing more flexibility with providers than an HMO. With a POS plan, primary care doctors usually refer patients to other providers in the network, but you can also self-refer to providers outside the plan and receive limited coverage.

The newest players in the health insurance arena, consumer-directed health plans, are designed to help employers rein in healthcare premium costs while giving employees more control over how their health care dollars are spent. While plan designs vary, all consumer-directed plans feature a low-cost, high-deductible PPO plan plus a health care spending account. You use the funds in the spending account to pay for services while meeting your health plan deductible, or for health-related services not covered by your plan such as dental or alternative care. There's normally a financial incentive for you to spend your account dollars wisely, such as allowing your account balance to carry over from year to year.

Once your health care needs are clearly defined and you're educated about the plans available to you, you should be able to determine which plan is the best fit for your needs and your budget.

If you decide to keep your current health plan, make sure you're taking full advantage of its services. If your plan offers wellness classes or workshops, take them! Many health

plans offer classes and online tools on topics such as disease management, smoking cessation, healthy pregnancies and weight management. If you have a Flexible Spending Account (FSA) or a Health Savings Account (HSA), use it. To get the most value out of your FSA, put away the amount closest to what you will spend in qualified health care costs. Each year, make sure to use your remaining FSA funds before January or you could lose them. Most importantly, follow preventive strategies recommended by your health insurer. Read their member newsletters and other written information and take advantage of their Web site for more health-related tools and resources. Awareness and prevention are the foundation for a healthy life.

Though it takes a little work to learn about the ins and outs of health insurance, being proactive in your health care planning can give you and your family peace of mind.

Experts from PacificSource Health Plans compiled this information as a public service for Oregonians who want to learn more about their health plans, regardless of their insurer.

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