

Personal Insurance: Finding Affordable Health Care Coverage



Of all the types of personal insurance — life, auto, home, dental, disability, liability, long-term care, and health care — adequate health insurance coverage is one of the best ways to protect personal assets. But purchasing health care coverage has become a challenge for employers and individuals as health care costs continue to rise. In response, insurers have developed new products to help bridge the gap between what Americans need and what they can afford.

“Our member companies work to make sure small employers, large employers, and individuals have as many options as possible to access the health care coverage they seek,” confirms Mohit Ghose, vice president of public affairs for Washington, DC-based America’s Health Insurance Plans (AHIP), a national trade association representing nearly 1,300 member companies.

Today, insurance companies vary the components of health care expenses — co-payments, premiums, deduct-

ibles, and out-of-pocket maximums — to provide products tailored for each individual’s lifestyle. Before making a selection, “families need to determine what they want and how they want to interact with the health care system,” says Ghose.

CONSUMER CHOICE

Families and individuals who don’t mind selecting a particular primary care physician can minimize their health care expenses by receiving care through a health maintenance organization (HMO). Such plans can offer a wide range of co-payment options for primary care physician visits, from \$10 to \$20 in Pennsylvania, for example, and reasonable monthly premiums, reports Patrick Young, general manager for small group and individual products with Aetna’s Mid-Atlantic Region. In Pennsylvania, the premium for a male up to age 18 can be as little as \$80 a month, subject to review, with a \$20 co-payment for each primary care physician visit.

Individuals who prefer to see a variety of physicians have the option to join a preferred provider organization (PPO). Such plans for families and individuals can also offer a wide range of co-payment options for primary care physician visits. Using the Pennsylvania example, co-payments can range from \$20 to \$40, and monthly premiums for males up to age 18 can be as little as \$41, subject to review. Although membership in a PPO with a low deductible and co-payment is generally more expensive than an HMO, it isn’t always.

Aetna’s new high-deductible PPO offers families and individuals yet another option. In Pennsylvania, an individual deductible as low as \$2,750 can provide a monthly premium well under \$100, subject to review. And when combined with a health savings account (HSA), individuals and families can set aside money in a fund that grows, to be used for current or future medical expenses, further managing their health care expenses.

These consumer-directed health plans are the latest trend in the marketplace, fueled in part by employers’ inability to continue to fund employee health care at previous levels. The onus is now on consumers to research and choose the health care option that best suits them, based on their current and expected future health care expenses and needs.

The upside of the situation is that consumers are now more informed than ever, says Young, and that’s a good thing. Maintaining proper levels of personal insurance helps build and protect important assets.

Writer: Marcia Layton Turner