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Five Questions About Health Care Benefits Answered



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The Affordable Care Act requires everyone to have qualifying health care coverage. The good news is that it also requires employers with 50 or more employees to offer health care coverage to full-time employees. If you haven't selected an insurance plan before, you may be confused about where to start. Listed below are the answers to five common questions about choosing a health care plan.

What Is a Network?

Select health care providers – doctors, hospitals, pharmacies, etc. – have a contract with your insurance company to offer services to plan members at a set rate, which is typically lower than what other patients pay. Because of this, your insurance company may cover more for bills from in-network providers than from out-of-network providers.

How Do I Get Health Insurance?

Most people get health insurance in one of three ways:

- Most people get health insurance on their own or through their employer. Employers who offer insurance generally pay a portion of the premium, or the amount due each month to maintain the insurance.
- If you need to find your own insurance, you can go directly through an insurance company or through the [Health Insurance Marketplace](#).
- If you lose your job, you are eligible for [Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#) coverage so you can maintain your group plan for up to 18 months. The downside is that you will pay the full premium. If you initially select COBRA, you can always transition to a plan from the Health Insurance Marketplace if needed.

What Types of Plans Are Available?

Health insurance providers offer the following [types of plans](#). Your employer may only offer some of these selections.

- **Exclusive Provider Organization (EPO):** These plans only cover services from in-network

providers, but you can see anyone at any time.

- **Health Maintenance Organization (HMO):** These plans cover more of your bill when you see an in-network provider, but you can go out of network if you are willing to pay more – or all – of the bill. You will likely select a primary care physician to contact about all of your medical issues, who will refer you to in-network specialists as needed.
- **Point-of-Service (POS) Plans:** Like with an HMO, you will likely select an in-network primary care physician, who will refer you to in-network specialists as needed. You can also see out-of-network specialists, but you will pay more.
- **Preferred Provider Organizations (PPO):** You can see any doctors you'd like, but you may pay more to go out of network. You do not need a referral for specialist visits.

What Are Flexible Spending Accounts?

Some employers offer flexible spending accounts (FSAs), where pre-tax money is deposited into an account to pay for medical expenses. Covered expenses include deductibles (the total annual amount you pay out of pocket for emergencies), copays, medication and medical equipment. You cannot pay your health insurance premiums with FSA dollars.

How to Choose a Plan?

If you're still unsure about which plan is best for you, ask yourself these questions.

- ***Do you have preferred doctors that you want to continue seeing?*** If yes, your first step is to see if they are in network. If they aren't, weigh the costs of paying more out of pocket versus selecting a plan that covers them.
- ***Are you generally healthy, or do you have an existing medical condition?*** If you are generally healthy, you may want to select a plan with a higher deductible and lower premiums, because chances are you will not meet your deductible within the year. If you have an existing condition, a plan with a lower deductible but higher premiums may be more appealing.
- ***Does the plan generally meet your needs?*** All plans will cover a portion of your medical bills, but they differ in how much. Some plans also cover special medical needs and wellness expenses. Review the plan's summary of benefits before committing so you understand what it will and will not cover.

Selecting health benefits can seem confusing, but with a little background on the general differences, you can select a plan that meets the needs of you and your family.

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