



Guide for Consumers - How to Pick a Health Plan

As the professional organization for physicians in Harris County, Texas, we understand how difficult it can be to make the decision on which health plan is right for one's health care. Physicians are also consumers who have to make this same decision. On behalf of our members and the patients they serve, HCMS created this step-by-step tool to simplify the decision making process.

All Health Insurance Plans

A. Narrow down to the right plan for you

Step 1 - *What kind of plan do you want?* How healthy am I? Do you want an HMO-like plan that is cheaper, but has a limited and restricted network; or a PPO plan that is more expensive, but has an open and unrestricted network with out-of-network benefits?

COMPARING HEALTH INSURANCE PLANS: HMO VS. PPO VS. EPO VS. POS			
Plan Type	Do you have to stay in network to get coverage?	Do procedures & specialists require a referral?	Best for you if:
HMO: Health Maintenance Organization	Yes, except for emergencies.	Yes	You want lower out-of-pocket costs and a primary doctor that coordinates your care for you, including ordering tests and working with your specialists.
PPO: Preferred Provider Organization	No, but in-network care is less expensive.	No	You want more provider options and no required referrals.
EPO: Exclusive Provider Organization	Yes, except for emergencies.	No	You want lower out-of-pocket costs but no required referrals.
POS: Point of Service Plan	No, but in-network care is less expensive; you need a referral to go out of network.	Yes	You want more provider options and a primary doctor that coordinates your care for you, including ordering tests and working with your specialists.

If you have preferred doctors and want to keep seeing them, make sure they are in the provider directories for the plan you are considering. You can also directly ask your doctors if they take a particular health plan.

If you do not have a preferred doctor, you will probably want a plan with a large network so you have more choices. A larger network is especially important if you live in a rural community, since you will be more likely to find a local doctor who takes your plan.

Eliminate any plans that do not have local in-network doctors and those with very few provider options compared with other plans.

Step 2 - How much will you spend out-of-pocket? When choosing a plan, it is a good idea to think about your total health care costs, not just the bill (the “premium”) you pay to your insurance company every month. Other amounts, sometimes called “out-of-pocket” costs, have a big impact on your total health care spending – sometimes more than the premium itself.

Beyond your monthly premium: Deductible and out-of-pocket costs.

- *Deductible:* How much you have to spend for covered health services before your insurance company pays anything (except free preventive services). PPOs could have in-network and out-of-network deductibles.
- *Copayments and coinsurance:* Payments you make each time you get a medical service after reaching your deductible.
- *Out-of-pocket maximum:* The most you have to spend for covered services in a year. After you reach this amount, the insurance company pays 100% for covered services.

The good news is the total you spend out-of-pocket in a year is limited, and the maximum is also listed in your plan information. In general, the higher your premium, the lower your out-of-pocket costs.

A plan that pays a higher portion of your medical costs, but has higher monthly premiums, is better if:

- You, or a dependent, see a doctor, whether a primary physician or a specialist, frequently.
- You, or a dependent, frequently need emergency care.
- You, or a dependent, take expensive or brand-name medications on a regular basis.
- You, or a dependent, are expecting a baby, plan to have a baby, or have small children.
- You, or a dependent, have a planned surgery coming up.
- You, or a dependent, recently have been diagnosed with a chronic condition such as diabetes or cancer.

A plan with higher out-of-pocket costs and lower monthly premiums is the financially smart choice if:

- You cannot afford the higher monthly premiums for a plan with lower out-of-pocket costs.
- You and your dependents are in good health and rarely see a doctor.

Step 3 - Is/are your doctor(s) in the plan’s network? Exclude any plan that does not have your physician(s) in the plan’s network to assure you will continue to receive continuous care with a physician you have already established a relationship.

Step 4 - Is/are your hospital(s) in the plan’s network? Exclude any plan that does not have your hospital(s) in the network. You may live in an area with a limited number of hospitals that are close to where you live.

Step 5 - Are your present medications covered? Exclude any plan that does not cover your medications. There is usually an out-of-pocket co-pay for prescriptions. Take that into consideration when calculating your full monthly out-of-pocket costs.

Step 6 - Compare benefits - By now, you likely have your options narrowed down to just a few. To narrow-down even more, go back to the summary of benefits to see which plans cover a wider scope of services. Some may have better coverage for things like physical therapy or mental health care, while others might have better specialist coverage.

Insurance Marketplace – Only HMO Plans in Texas

Enrollment annually usually begins in November

B. Additional Steps (Use steps 1-6 as well for Marketplace plan decisions)

Step 7 – Do you qualify for ‘extra savings’ on health coverage? Do a quick check to find out if you qualify for savings through federal government subsidies. The website below will take you to a calculator that will tell you if you qualify for a health insurance plan with savings based on your income.

<https://www.healthcare.gov/lower-costs/>. If you qualify for these extra savings on out-of-pocket costs, you get them only if you enroll in a plan in the Silver category. You can use a premium tax credit for a plan in any metal category, but **you’ll get extra cost-sharing reductions only if you pick a Silver plan**.

Step 8 – Choose a Metal Level – In Texas all Marketplace plans are **HMOs**. The federal government offers different metal levels depending on how much you want to pay for different coverage levels.

Estimated averages for a typical population. Your costs will vary.

Plan Category	The insurance company pays	You pay
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

Which metal category is right for you?

Bronze

- Lowest monthly premium
- Highest costs when you need care
- Bronze plan deductibles — the amount of medical costs you pay yourself before your insurance plan starts to pay — can be thousands of dollars a year.
- **Good choice if:** You want a low-cost way to protect yourself from worst-case medical scenarios, like serious sickness or injury. Your monthly premium will be low, but you will have to pay for most routine care yourself.

Silver

- Moderate monthly premium
- Moderate costs when you need care
- Silver deductibles — the costs you pay yourself before your plan pays anything — are usually lower than those of Bronze plans.
- **Good choice if:** You qualify for “extra savings” — or, if not, if you are willing to pay a slightly higher monthly premium than Bronze to have more of your routine care covered.

Gold

- High monthly premium
- Low costs when you need care

- Deductibles — the amount of medical costs you pay yourself before your plan pays — are usually low.
- **Good choice if:** You are willing to pay more each month to have more costs covered when you get medical treatment. If you use a lot of care, a Gold plan could be a good value.

Platinum

- Highest monthly premium
- Lowest costs when you get care
- Deductibles are very low, meaning your plan starts paying its share earlier than for other categories of plans.
- **Good choice if:** You usually use a lot of care and are willing to pay a high monthly premium, knowing nearly all other costs will be covered.

Other questions to consider

- Are routine examinations covered?
- Does the plan require medications be received through its mail order pharmacy? Are there penalties if I use a regular pharmacy?
- Does the plan have in-network Urgent Care Centers located near my home or workplace?
- Does the plan have in-network Radiology Facilities near my home or workplace for my health care needs?
- Does the plan have specific rules regarding pregnancy?
- Does the plan cover eye exams by an Ophthalmologist (physician)?
- Will I Have to Call My Doctor Before Going to the Emergency Room?
- If you travel, does the plan have coverage throughout the US and Internationally?
- Does the plan cover services that you may need? If so, what are the limitations? (i.e. wheelchair, breathing machine, diabetes blood glucometer and strips, physical therapy, wound care, etc.)
- Seniors should compare Medicare Advantage plans to Traditional Medicare with Supplemental Insurance and Part D drugs. For example, some Medicare Advantage plans do not have cancer coverage.
- Medicaid recipients should consider transportation needs, location of benefits and convenient provider locations.

Resources

Medicare Advantage Plans

www.medicare.gov

www.medicare.com

http://www.aarp.org/health/medicare-insurance/info-01-2011/understanding_medicare_your_checklist.html

The Insurance Marketplace

<https://www.healthcare.com/info/health-insurance/checklist-for-choosing-and-buying-a-health-insurance-plan>

<https://marketplace.cms.gov/outreach-and-education/marketplace-application-checklist.pdf>

<https://www.mainstreet.com/article/checklist-for-millennials-buying-health-insurance-for-the-first-time>

<http://www.insurance.com/health-insurance/healthcare-reform-individual/checklist-for-buying-a-policy-on-health-insurance-exchange.html>

Commercial Insurance

<http://www.texashealthoptions.com/cp/compareplans.html>

<http://www.tdi.texas.gov/kids/kidshealthinsur.html>

<http://www.helpinsure.com//auto/younginsure.html#health>

Texas Medicaid and CHIP

<http://medicaid-guide.org/get-quotes-2>

<https://hhs.texas.gov/services/health/medicaid-and-chip>

<https://yourtexasbenefits.hhsc.texas.gov/programs/health>