

# HOW TO SHOP FOR HEALTH COVERAGE



Open Enrollment season, the time when many Americans have the chance to shop for new health coverage, is rapidly approaching. This year, because of COVID-19, it could be **more important than ever to take time to shop for your insurance coverage**. Not only are you making a decision about health benefits, but you are making a significant financial decision as well.

Jean Chatzky, personal finance expert, has partnered with GEHA, one of the largest benefit providers for federal employees, to share smart strategies for selecting your health plan during Open Enrollment.

## TERMS TO KNOW

- ▶ **Premium:** What you pay monthly or biweekly for coverage.
- ▶ **Coinsurance:** The percentage you pay for a covered health care service, after you've met your deductible.
- ▶ **Deductible:** What you pay each year before the plan begins to pay out benefits.
- ▶ **Co-pay:** A fixed amount you pay for a service or prescription.
- ▶ **Out-of-pocket maximum:** The maximum amount you pay each year for coverage. Includes copays, deductibles and coinsurance, but not premiums. Once the limit is met, the plan pays the remainder of your covered health care expenses for the rest of the year.
- ▶ **Health Insurance Network:** A group of care providers across multiple specialties that have a contract to provide health care services to members of an insurance plan.
- ▶ **In-network provider:** A health care provider who is a part of your health plan's provider network. These providers agree to limit what they will charge you.
- ▶ **Out-of-network:** A health care provider who does not have a contract with your health insurance provider. This can sometimes result in higher prices. Some health plans, such as an HMO plan, do not cover out-of-network care, except in an emergency.
- ▶ **Health Care Savings Account (HSA):** A type of savings account that lets you set aside money on a pre-tax basis to pay for qualified medical expenses. By using untaxed dollars in an HSA to pay for deductibles, copayments, coinsurance and other expenses, you could lower your overall health care costs. HSA funds cannot generally be used to pay premiums.
- ▶ **Health Maintenance Organization or HMO:** Provides a network of doctors and hospitals for care that the insurer will completely or partially pay for. If you see an out-of-network provider, your claims will not be covered. With an HMO, you'll choose a primary care provider (PCP) and will typically need a referral to see a specialist.
- ▶ **Preferred Provider Organization or PPO:** Provides more freedom to choose your care provider. You may or may not need to choose a primary care provider (PCP), but you typically don't need referrals to see specialists. If you use an out-of-network provider, your services will be covered, but you will likely pay a higher portion of the charge. (GEHA plans for federal employees and retirees are PPOs).
- ▶ **High Deductible Health Plan (HDHP):** Can work with an HMO or PPO, but generally comes with a greater out-of-pocket cost and lower premiums. If your deductible is \$1,400 or greater for a single person in 2020 or \$2,800 for a family (with out-of-pocket expenses capped at \$6,900 for singles, \$13,800 for families) you will be eligible to open a Health Savings Account (HSA) that enables you to pay for medical expense with pre-tax dollars.

## STEP 1: WHERE TO BEGIN? EVALUATE YOUR NEEDS.

Not all plans are created equally. You'll want to compare to make sure the plan you choose is the right fit for you and your family.

### What do your individual or family medical needs look like in the next year?

#### Check all that apply

- Annual check-ups
- Pregnancy/maternity/newborn care
- Treatment of chronic disease
- Hospital stays
- Urgent care visits
- Prescription drugs
- Medicare
- Mental health management
- Lab tests
- Vision care
- Rehabilitative services and devices
- Surgeries
- Pediatric services
- Ongoing virtual care
- Other \_\_\_\_\_

### What are the most important factors to you and your family?

#### Rank in order of importance

- \_\_\_ Availability of preferred doctors
- \_\_\_ Dental benefits included in plan
- \_\_\_ Size of network
- \_\_\_ Necessity of referral for specialist treatment
- \_\_\_ Cost
- \_\_\_ Specific prescription costs
- \_\_\_ Wellness programs
- \_\_\_ Financial rewards for healthy decisions
- \_\_\_ Virtual care access
- \_\_\_ Health Savings Account (HSA)
- \_\_\_ Trusted insurer
- \_\_\_ Other \_\_\_\_\_

## STEP 2: REVIEW YOUR CURRENT FINANCIAL STATUS. WHAT WILL WORK BEST WITH YOUR FAMILY'S BUDGET?

Use this worksheet to compare your current medical plan with other options available to you to find out what fits in your annual budget, and where there might be options to save money. Federal employees can visit [opm.gov](http://opm.gov) to compare GEHA to other plans available.

Benefit	Current plan	Alternate plan
Your biweekly premium	\$	\$
Your annual premium (biweekly x 26)	\$	\$
Deductible	\$	\$
Doctor office visits	\$	\$
Urgent care copay	\$	\$
Prescription drugs	\$	\$
Lab fees	\$	\$
HSA/HRA contribution	\$	\$
Eye exams	\$	\$
Surgical costs	\$	\$
Preventive dental	\$	\$
Rewards program	Yes No	Yes No



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