

Shopping for Health Insurance

Health insurance is one of the costliest purchases families make. However, when you choose a health plan you will want to look beyond simply the cost of the premiums and make an apples-to-apples comparison of the plans. This brochure lists a few points of comparison to consider. This is not an exhaustive list, but it can help you break down a complicated decision into smaller pieces.

For more information about purchasing health coverage, visit www.healthcare.gov.

About OPIC

The Office of Public Insurance Counsel (OPIC) is an independent state agency created by the Texas Legislature in 1992. We represent the interests of consumers, including small commercial insurance consumers, as a class on matters involving insurance rates, rules, and policy forms. This includes matters involving auto, homeowners, wind-storm, and title insurance. We also participate in rulemaking proceedings for life, accident, and health insurance.

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Contact us:

health@opic.state.tx.us
(512) 322-4143
(877) 611-OPIC (6742)
333 Guadalupe, Suite 3-120
Austin, Texas 78701

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OFFICE OF PUBLIC INSURANCE COUNSEL



SHOPPING FOR HEALTH INSURANCE

DEEIA BECK, PUBLIC COUNSEL

333 GUADALUPE, SUITE 3-120
AUSTIN, TEXAS 78701

TELEPHONE: (512) 322-4143
TOLL FREE: (877) 611-OPIC (6742)
FAX: (512) 322-4148

WWW.OPIC.STATE.TX.US

SHOPPING FOR HEALTH INSURANCE

Does the plan cover the services I need?

Health benefits plans cover a variety of conditions. Starting January 1, 2014, all plans sold in Texas must cover certain essential health benefits. Make sure you understand what each plan considered covers. Discuss any special health care needs with your agent to find a plan that works best for you.

Are the services I need or might need available locally?

Ask your agent about the general availability of providers in your area. You will want to consider the availability of things like emergency rooms and urgent care centers. You will also want to consider how far you will need to travel from your home or work if you need to receive specialist care.

Does my provider participate in the plan?

Provider networks vary by plan. If it is important to you to receive care from specific doctors or hospitals, ask your agent if the providers you use are in-network.

Calculating out-of-pocket costs can be confusing. Here is an example to illustrate how deductibles, copays, and coinsurance translate into out-of-pocket costs:

Let's say your doctor recommends an MRI. An in-network provider has contracted with your insurer to perform the MRI for \$1,000. Your plan applies a \$100 copay, a \$200 in-network deductible, and 20% coinsurance for in-network providers. You would owe:

\$200 for your deductible
+ \$100 for your copay
+ \$140 for your coinsurance (20% of the cost after the application of your deductible and copay: $\$200 - \$100 = \$300$. $\$1000 - \$300 = \$700$. $\$700 * 20\% = \140 .)

\$440 out-of-pocket for the MRI

If you had already met your annual deductible, you would pay \$280 out-of-pocket.

NOTE: Always verify your financial responsibility for a procedure with your plan prior to the procedure.

What are my out-of-pocket costs?

In addition to premiums, there are several types of out-of-pocket costs associated with health insurance: deductibles, copayments, and coinsurance. A deductible is the yearly amount you must pay before your plan will contribute to certain covered services. A copayment is a fixed amount you must pay for a covered service. Coinsurance is the percentage of the cost of a service for which you are responsible.

How do I research the companies I am considering?

Check the Texas Department of Insurance website at www.tdi.texas.gov or call (800) 252-3439 to verify that the company is licensed, view its financial information, and to see the number of complaints against the company.

More questions?

We're here to help! Visit us online at www.opic.state.tx.us or call (512) 322-4143.