eHealth

Open Enrollment Season Is Here: eHealthInsurance Releases Top Seven Consumer Health Insurance Tips

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Sep 26, 2012 (Marketwire via COMTEX) --As the cost of employer-sponsored health insurance continues to rise and the final provisions of the Affordable Care Act loom on the horizon, eHealthInsurance (NASDAQ: EHTH), America's first and largest private health insurance exchange, today released its top consumer tips for this year's open enrollment season.

Open enrollment is the time of year when workers receiving health insurance and other benefits from their employers are asked to make personal coverage selections for the coming year. For many employers and employees, open enrollment for the 2013 calendar-year benefit period will occur between October and December 2012.

Increased Health Insurance Costs for 2013
According to a survey sponsored by the National Business Group on Health, employers estimate their health insurance costs will increase an additional 7% in 2013[1]. As a result, some employers may stop providing employees with health insurance coverage, while others may pass on cost increases to employees in the form of higher premiums, deductibles, or coinsurance. Both employers and employees may be forced to look for creative health insurance solutions to maintain their coverage at a price they can afford. Some employees may even turn to the individually-purchased health insurance market.

This year's open enrollment period will be the last one before implementation of the final consumer-focused provisions of the Affordable Care Act (ACA) in January 2014. While the "individual mandate" and the guarantee of access to individually-purchased coverage will not take effect until January 1, 2014, health reform is nonetheless having an impact on this year's open enrollment period:

- During open enrollment this year, employees will be provided with new federally-mandated "Summary of Benefits and Coverage" forms for each health plan offered by their employers. The intent of these forms is to provide consumers with standardized, easy-to-understand descriptions of how their benefits work and what their out-of-pocket costs would be in various medical scenarios.
- Employees should also note that the maximum amount of pre-tax dollars that can be saved for medical expenses in an employer-sponsored Flexible Spending Account (FSA) is being lowered to $2,500 in 2013[2].

With the above in mind, eHealthInsurance has prepared the following tips to help consumers with employer-sponsored health insurance navigate their choices during this year's open enrollment season:

Top 7 Health Insurance Tips for Open Enrollment Season

1. Pay attention to what you -- and your employer -- are paying: A 2011 survey sponsored by eHealthInsurance and conducted by Kelton Research found that fewer than half (47%) of employees could confidently say how much was taken from their own wages to pay for their health insurance premiums. Fewer than one-in-five (18%) could say how much their employers contributed toward their total premiums[3]. Pay attention to your premium contributions and look out for increases in these costs compared to last year. In order to gauge the full cost of your employer health insurance plan, find out how much your employer pays toward premiums both for yourself and your dependents. Remember that if you are laid off and enroll in COBRA in 2013, you'll likely be required to pay the combined total of what is currently paid by both yourself and your employer in order to maintain your coverage.

2. Review ALL your options: Start reviewing every plan available from your employer as soon as you receive your open enrollment packet. Look carefully through each "Summary of Benefits and Coverage" form you receive in order to understand what your costs may be for medical care rendered under each plan. For good measure, check your options in the individually-purchased health insurance market too. Health care reform has strengthened the benefits offered under most individually-purchased health insurance plans. While many group plans may still provide more robust coverage and will cover pre-existing medical conditions, individually-purchased plans may offer a stronger alternative than they did a couple years ago -- especially for persons who can no longer afford employer-based coverage.

3. Shop smarter: If possible, enroll in a plan that only covers the services you need most. Doing so may allow you to save money on your monthly premium. A plan that covers chiropractic care, for example, may not be important to you. Or, if you don't care about brand-name drugs, see if your employer offers a plan covering only generic drugs instead. Choosing a high deductible plan may be smart for some because it typically reduces your monthly premiums, but be prepared to pay the amount of the deductible in the coming year if serious health care needs arise.

4. Carefully review coverage options for adult children. Since 2010, the Affordable Care Act has allowed adult children to retain coverage under a parent's health insurance policy until age 26. This is a valuable coverage option for many young adults, but keep in mind some important caveats. If your adult children live in another state, for example, they may not have access to in-network health care providers, severely restricting their level of coverage. Make sure you know how your adult child's coverage will work and help him or her to find the best coverage option available, even if it means helping them purchase individual health insurance.

5. Consider an HSA rather than an FSA: Many employers offer a high-deductible health plan option with a Health Savings Account (HSA). Some may even contribute to your Health Savings Account for you. Depending upon your level of health care utilization, this may be a savings opportunity because money may be deposited into your HSA on a pre-tax basis and used to pay for unexpected health expenses not covered by your health plan, including deductibles and copayments. If you like your employer-sponsored Flexible Spending Account (FSA) but are frustrated by the new restrictions on contributions in 2013 (limited to $2,500), consider enrolling in an HSA-eligible plan and opening a Health Savings Account. As with FSAs, money

can be saved in an HSA on a pre-tax or tax-deductible basis to pay for qualified medical care. Unlike FSAs, the money in your HSA is yours to keep and funds can roll over and grow year-after-year until retirement. The contribution limit for HSAs in 2013 is $3,250 for individual coverage, or $6,450 for family coverage[4].

6. Mix and match, if appropriate: Depending on your own and your family members' health and how much your employer contributes toward dependent coverage, it may be less expensive for certain family members to be insured on a separate, individually-purchased health plan. Work with a licensed agent like eHealthInsurance.com to get free quotes, and do the math on separate policies. Remember, it is still possible to be declined coverage for an individually-purchased health insurance plan based on an applicant's medical history -- so don't cancel or disenroll from any existing line of coverage until you have been approved for a new one.

7. Look for fresh innovations in the market, like shrinking deductibles: If you can no longer afford employer-based health insurance, or if your employer plan doesn't meet your needs, look for new options in the individually-purchased health insurance market. Insurance companies in some states are offering incentives to encourage you to avoid over-utilizing your coverage. For example, some may substantially reduce your deductible next year if you don't meet your full deductible this year; others may incentivize healthy habits by sending you gift cards and other rewards for positive health outcomes. The Affordable Care Act has also strengthened individually-purchased coverage by doing away with most lifetime coverage limits and ensuring that members will have no out-of-pocket costs for many preventive care and women's and reproductive health services. Some states are also mandating stronger coverage in the individual market. For example, in California, maternity coverage is now standard on all health insurance plans.

Additional Consumer Resources:

- Learn how to make the most of the new Summary of Benefits and Coverage forms made available through a provision of the Affordable Care Act
- Read more about consumer attitudes toward open enrollment and knowledge of employer-sponsored health insurance options in eHealthInsurance's 2011 survey
- Download or request a FREE printed copy of our book, *Individual Health Insurance For Dummies*, produced in cooperation with For Dummies®, a branded imprint of Wiley, and co-authored by eHealthInsurance
- Follow eHealthInsurance's consumer blog, Get Smart - Get Covered
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For more health insurance news and information, visit the eHealthInsurance consumer blog: Get Smart - Get Covered.

Notes:
[1] Source: http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/08/06/the-growth-of-health-insurance-premiums-is-slowing-yes-really/
[2] Source: http://www.kff.org/healthreform/upload/8061.pdf
[3] Source: http://news.ehealthinsurance.com/pr/ehi/many-employees-poorly-informed-217497.aspx
[4] Source: http://www.shrm.org/hrdisciplines/benefits/Articles/Pages/2013HSAlimits.aspx

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