

Insurance Types and Saving Money on Healthcare

Health insurance premiums have rapidly increased in recent years, and employers are making workers pay more and more of their share of the cost. Here are some facts which may help you save on your health care costs. Of course, always consult your insurance broker, health insurance plan, or Medicare website for the exact benefits and latest regulations.

Individual mandate: it's the law that requires you to buy health insurance or pay a penalty. This will expire at the end 2018.

1. High deductible health plans with Health Savings Account (HSA).

These are a special type of health insurance, which you can get through your employer or if you are self-employed. Lately the trend has been to have high deductible health plans which save companies money as these insurance plans cost less. High deductible health plans have tax advantages. First you can have a health savings account (HSA). HSA's allow you to set aside some **pretax** money to spend on health care costs including doctor visits and prescriptions. In 2018, a family can save up to \$6900, and an individual \$3450. If you are 55 or older, you can contribute \$1000 more. This is great news, because all this money is money you don't have to pay taxes on, and it never "expires" - meaning you can roll it over to next year. HSA's are also portable – meaning if you lose your job, you still have your HSA. In addition, rollovers do not affect how much you can contribute the next year!

Resource: <https://www.irs.gov/pub/irs-pdf/p969.pdf>

Dr. Hall's visit fees are covered by HSAs (except cosmetic procedures).

Most people do not meet the annual out of pocket maximums and deductibles of \$13,300 for a family /\$6650 for an individual. You may consider getting an HSA account if you are generally healthy and would like to reduce the amount of taxes you pay.

2. Flexible Spending Arrangements or FSA's.

These are special financial arrangements offered by your employer. An FSA can help with medical fees and copays (as well as medical equipment, prescriptions, etc). FSA's allow you to save money deducted from your salary (or contributed by your employer -depending on your specific benefits) **pretax** to use on healthcare expenses. The difference is it does not rollover – i.e. if you don't use it you lose it. Remember to save all receipts so you can get your reimbursement from your FSA for qualified expenses.

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3. PPO: are preferred provider organizations, a type of health insurance which allows patients to visit any doctor in the network without a referral. You also do not have to choose a PCP. PPO's cover many other services as well, including labs, prescriptions, and radiology – benefits differ by plan.

Dr. Hall visit fees may be reimbursed by your PPO's at the out of network rate. Labs, radiology, and prescriptions are generally covered by your plan. You may request a CMS 1500 form from Dr.

Hall and send it to your insurance company in order to seek reimbursement for her fees. Contact your individual plan to ask what the out of network primary care reimbursement rate is.

4. Medicare:

Medicare is the federal government's health insurance for those 65 and older (or disabled). Medicare is confusing, because you can get Medicare from the government (Original Medicare) or you can get Medicare through a 3rd party company (Medicare Advantage and Other Medicare Health Plans) which works like an HMO or PPO insurance.

Medicare has many parts – Part A is for hospitalization costs. If you qualify for Medicare, you are not automatically enrolled. You must sign up at the appropriate time (around your 65th birthday, see Medicare website for more details.) Good news is Medicare Part A does not have premiums if you sign up on time. Part B, however, which covers outpatient services (like office visits), has a premium you have to pay, and consequently you do NOT have to sign up for it. If you make less than \$85,000 *two years* prior to enrolling, the premium for 2018 is approximately \$130/month. If you made more than \$160,000 (which is common in this region) in 2016, you pay over \$400/month for Medicare Part B in 2018. *Even though there is a 10% increase in premiums for every 12 months you don't enroll, for some, it may save money to not enroll in part B, and delay enrollment by a few years until their income drops due to retirement, etc. Always consult Medicare and your insurance broker, as everyone's situation is unique.*

Dr. Hall does not accept Medicare. For some of her patients, they did not enroll in Medicare as the premiums were over \$130/month and they saw her only a couple times a year (approx \$225 in medical bills/year compared to \$1560/year for Medicare part B + medical bills). Others with Medicare have come to see her and just pay out of pocket.

Resource: <https://www.medicare.gov/what-medicare-covers/what-part-a-covers>

There is also other parts to Medicare. Please go to <https://www.medicare.gov/your-medicare-costs/part-b-costs> for more details.

5. Medi-Cal / Medicaid.

Medi-Cal is the name of Medicaid in California. It is a state and federally funded health insurance mostly for those with low income or pregnancy. Enrollment and medical services are done by county. For instance, if you are Medi-Cal recipient in Alameda county, you generally cannot go to Milpitas for your care because it is not in the same county.

Dr. Hall does not accept Medi-Cal.

<https://www.dhcs.ca.gov/services/medi-cal/Pages/default.aspx>

6. HMO's

HMO's are health maintenance organizations, which are a type of health insurance plan. You must choose a PCP in their network and referrals are made only with the PCP's approval. Nothing outside the network is usually covered. If you leave your covered area, services may not be covered as well.

Dr. Hall does not accept HMO insurance. If you decide to see her, you will most likely need to pay out of pocket for labs, prescriptions, and radiology.

7. Kaiser.

Kaiser has two parts: 1) Kaiser insurance, and 2) Kaiser medical group (doctors and other healthcare providers.) Kaiser insurance is a very large HMO. Nothing is covered outside of Kaiser network of doctors and providers (unless emergency.) They also provide Kaiser Medicare plans. Although independent, Kaiser doctors only accept Kaiser insurance payments. This may lead some to question the power and authority of the Kaiser insurance company on influencing patient care and decisions.

Dr. Hall does not accept Kaiser insurance.