

# Health doesn't matter for health insurance



with Mary Drueke-Collins

**As we begin** a New Year, many of us focus on our New Year's Resolutions. Most of these resolutions center on improving our health. We know living a healthy lifestyle has many benefits, but have you ever thought about how your health affects your pocketbook?

Unless you have a medical condition that requires you to pay for medical care, odds are you may not realize how much your health can affect your budget. The obvious impact to an individual with medical conditions is the out of pocket paid for medical costs. Even if you have insurance, you will likely pay copays for office visits and prescriptions. If you need tests and hospital services, you will probably have to meet your deductible and coinsurance. These days the maximum out-of-pocket on health plans can be substantial, many exceeding \$6,000 for an individual.

With some of the rating changes created by the Affordable Care Act (ACA) or Health Care Reform, you could argue that your health doesn't really matter anymore when obtaining health insurance. For people purchasing health insurance on the individual market, on the Marketplace, or through the small group market (in Nebraska employers with less than 50 employees) the health plans are 'Community Rated.' 'Community Rated' means the rates are not impacted by each person's health status. Any person living in the same area, selecting the same benefit option and of the same age will have the same rate. So, why should we worry about our health?

The most obvious reason is one of the rating factors also allowed by the ACA - tobacco use. The ACA permits an insurance company to charge tobacco users a different premium. That premium for tobacco users could be as much as 50% more than the non-tobacco user rate!

Employers can also differentiate the amount their employees pay for coverage through their employer-based plan on a set of wellness measurements. Laws allow for up to a 50% difference in the cost between those employees that meet the measurements, versus those that do not. The most popular wellness measurement is tobacco use, but employers also might give 'credit' to an employee for completing a health risk assessment and/or blood draw, obtaining flu shots or participating in challenges throughout the year.

Even if your premium cost is not affected by your health status, each person's use of medical care does affect the cost of insurance. There are many simple things you can do to affect those costs. Next time you need medical care, consider the following:

- Use generic drugs or drugs on the prescription formulary.
- Seek care from the proper location – emergency rooms are not always the best use of your time or money. Consider an urgent care facility, a doctor with extended office hours, or quick-care/minute-clinics located in grocery stores and pharmacies.
- Get your annual physicals! The ACA requires insurance plans to cover annual exams at in-network providers, so there should be no cost to you for those services.
- Use providers that are in-network with your medical plan.
- Work closely with your physician and don't be afraid to ask questions about prescriptions and tests your physician may be recommending.

Although it may appear like your health doesn't matter when it comes to health insurance, it can affect your bottom line – even if those impacts are not felt right now. The decisions we all make today will influence our pocketbooks at some point in the future.

For more information, please contact your trusted advisor at Swartzbaugh-Farber – 'Client Centered – Client Advocates™'.