

Health Insurance Alternative-High Deductible Major Medical

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Admitting vulnerability to accident and/or illness is something most of us would rather ignore. You have undoubtedly heard of guides requiring surgery for repetitive stress injury with costs exceeding \$20,000. Since the injury occurred on the job it is covered by workmen's compensation insurance.

This insurance is paid by your outfitter-employer.

Health insurance is necessary to protect your financial well being, whether you or your employer pay for it. Employer paid plans are not without their failings and may simply not be available to the employer. If an employer has a high turn-over of employees, if employment is seasonal, or if employees reside over a large geographic area, the availability and/or costs of group health insurance will be affected.

Within the past year, two of my personal acquaintances incurred very large medical expenses that were in no way related to their employment. One individual suffered a broken leg (\$17,000+) and the other was hospitalized for lower abdominal pain for eight days (\$28,000+). Health expenditures such as these can and do force people into bankruptcy. A bankruptcy can stay on your credit report for ten years and impair your ability to obtain financing at reasonable interest rates. My friend's business failed. To obtain a mortgage on a house, he had to meet a larger down payment requirement and pay a higher interest rate due to his bankruptcy.

Health insurance is very expensive if it has very low or no co-payments (payments each time you visit the doctor), or if it provides other benefits such as routine examinations and prescriptions. These benefits include physician and insurance company clerical staff and other overhead that all cost money. These costs are built into the monthly premium.

There is a solution for those individuals who can manage their finances so that they have a reserve or emergency fund. When a medical expenditure is incurred, they are able to pay for it out of these funds. This includes the occasional physical exam, and possibly prescriptions. These individuals can take advantage of the significantly lower premiums offered by plans that have a higher deductible. (The deductible is the amount you have to pay before the insurance benefits begin.)

How much lower are premiums for a high deductible plan? A male age 25 who will have to pay \$100 to \$120 per month for an hmo, can find a \$1,000 deductible health insurance plan in the range of \$40 to \$60 per month. The savings in premium in this case can be \$500 to \$700 per year.

For more information about health insurance try this web site:

www.ahcpr.gov/consumer/insuranc.htm#head2.

For rates and detailed information about the various plans available, contact a life and health agent, or companies such as Blue Cross-Blue Shield directly.

Health insurance quotes are also available on the web. Searching only through www.google.com I quickly located the three listed here:

www.quickquote.com

www.quotesmith.com

www.ehealth.com

www.ehealth.com has a very large selection of high deductible plans.

I was a Life and Health Insurance agent for ten years. If you have any questions or comments, email me at dnorris@wenet.net.