

UNDERSTANDING YOUR HEALTH PLAN AND CUTTING YOUR COSTS

Choosing a health plan doesn't have to be as complicated as many think.

Understand common terms- it's important to understand terms such as copays, deductibles, coinsurance, preexisting conditions, maximum out of pocket, Health Savings Accounts, etc. To summarize, copay is the amount of money you have to pay when services are rendered. Deductibles are specified amounts that the insured has to pay prior to having the insurance start to pay. Coinsurance is the percentage of the covered cost that an insured has to pay after the deductible has been met. Preexisting conditions are medical conditions that you already had prior to obtaining health insurance. Maximum out of pocket is the most that you would need to pay prior to your insurance carrier paying at 100%. Health Savings Accounts are available to individuals who are enrolled in a high deductible health plan. It is basically a tax advantaged medical savings account.

Be aware of new legislation – some parts of the law have already taken effect. Young adults can remain on their parents' health insurance policies until the age of 26, regardless if they are full time students. There are no preexisting limitations for children under the age of 19 years, and they cannot be denied health insurance coverage. Preventative services are provided without any cost sharing on the part of the insured. Take advantage of physical exams, well visits for children, immunizations, gynecological exams and PAP smears, etc. These services would not be subject to your

deductible if they are coded preventative or routine.

Understand your pharmacy benefits- There are different rules regarding prescription benefits as well as various formularies, lists of preferred generic and brand name drugs. Some plans enforce mandatory generics, others don't cover certain medications. Generic drugs obviously cost less to the consumer – learn if there are safe generic alternatives to your medication.

Know the type of plan you have- and if you have a specific network of doctors, hospitals and other facilities. Again, there are different plan designs. PPO's give you more flexibility while traveling out of network, however the cost for these services are considerably higher. With a HMO, you would need to stay within the specified network except in the case of emergencies. In the case of a true medical emergency, the insurance carrier would need to cover you regardless of whether you are in or out of the network.

Ask questions – you are a vital part of your health care. Ask why certain procedures are recommended, why medications are prescribed and if there are alternatives. If you are confused about your coverage or bills received, call Member Services, the number on the back of your insurance card.

UPMC'S NEW INDIVIDUAL PRODUCT

It is finally here – UPMC came out with a medically underwritten product. The rates are determined by age, gender, medical risk assessment and plan design. Applicants may be

approved at the standard, tier 1 rate, rated up to a higher tier level or denied coverage if they are over 19 years of age. This plan is an EPO, Exclusive Provider Organization, which means you have to stay within the network, except in the case of an emergency. There are two basic plan designs, one called Value plans which have deductibles as well as copays for certain office visits. The other plans are called Savings plans, which offer qualified high deductible health plans that are HSA compatible, so you can have a tax advantage.

A major advantage of these plans is that if accepted, they cover you for preexisting conditions. They also seem like they are a little less stringent with their medical underwriting guidelines. If you would like a quote or more information on these programs, please let me know.

UPMC and HIGHMARK HAVE EXTENDED THEIR CONTRACT

A deal was reached and announced in early May of this year that allows Highmark customers in-network access to all UPMC physicians and hospitals to continue through 2014. This includes Highmark commercial and Medicare Advantage members.

LONG TERM CARE INSURANCE

Blue Peak Insurance is proud to announce the addition of Long Term Care Insurance to its portfolio of health care products.

More and more Americans are living with chronic illnesses such as Parkinson's, Lou Gehrig's Disease, Multiple Sclerosis and Alzheimer's. In addition, traumatic injuries, strokes and cancer leave thousands of people, both young and old, dependent on long term care.

The expenses associated with long term care are not covered under your traditional health insurance plan. Long term care services you

may need in the future are considered "private pay." In other words, the person receiving care pays for these services out of his pocket. Most often, this money comes from a life savings.

Long Term Care Insurance helps cover the costs of care when someone cannot take care of himself due to an extended illness, accident or disability. The insurance helps pay for in-home aids, personal care attendants, homemaker services, adult day care, assisted living facilities, and nursing home care.

People plan ahead for long term care risk for mainly two reasons:

- The thought of spending down their retirement savings on the high cost of care is unacceptable;
- They don't want to be a burden on their spouse and their children.

Baby Boomers who have experienced caring for their parents are increasing looking into purchasing a policy for themselves so they don't burden their own children.

Blue Peak Insurance is pleased to introduce Linda Vaira, Long Term Care Insurance Specialist, to assist you with your Long Term Care Insurance needs. Linda has specialized in Long Term Care Insurance since 1996.

She is committed to providing our clients with the highest level of service and personalized attention.

Please contact Blue Peak Insurance directly if you wish to discuss Long Term Care Insurance. Linda will be glad to help you analyze, compare and plan for your future Long Term Care needs.

As always, if you have any questions about what you have read or if I can be of any assistance please contact me at 724-260-0341. Please visit my website at www.bluepeakinsurance.com

