



# How to Select a Health Insurance Plan



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When it comes to selecting a health insurance plan, it is certainly not “one size fits all” or even “one size fits most” for that matter. There are a variety of factors to consider such as your age, your career, your family, whether you’re planning to start a family, your medical history, your prescriptions, and more.

That’s why we’ve outlined the top things you should consider when selecting a health insurance plan so you can ensure you’re getting a plan fit for your specific needs.

## STEP ONE

### Determine how you’ll be getting a health insurance plan.

1

#### Employer Sponsored Plan

This is typically the best and most affordable option as many employers will often pay a portion of your premium. Even if they don’t pay a portion of your premium, group health insurance rates are often less expensive than the individual marketplace so you still may be getting a better insurance option through your employer’s policy.

2

#### Private Exchange/Directly from Insurer

If your employer doesn’t provide health insurance or you own your own business and you’re likely NOT eligible for a \*premium subsidy, you can look for coverage through the private exchange or directly from the insurer.

*\*Premium subsidies are typically available if your income is between 100%-400% of the federal poverty level. [See if you qualify here.](#)*

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#### Government Exchange

If your employer doesn’t provide health insurance or you own your own business- - and you ARE likely eligible for a premium subsidy based on your income, you can look for coverage through the government exchange. Start by visiting [HealthCare.gov](https://www.healthcare.gov) and enter your zip code.



## STEP TWO

### Compare plan types.

While there are a variety of options to choose from, the most common plan options are HMO's and PPO's.

- HMO - Health Maintenance Organization
- PPO - Preferred Provider Organization

The biggest difference between an HMO and a PPO plan is that with an HMO plan, **you have to stay in your provider network and a referral is required for seeing specialists.** That means that if you have an HMO plan and want to see a doctor who is considered “out of network”, it won't be covered by your insurance policy so you will end up paying more. With a PPO plan, **you have more flexibility to go out of network or see a specialist,** but it often comes at a higher monthly premium.

When choosing between an HMO and a PPO plan, we suggest looking back at your past medical history to see how often you've needed a specialist or whether you may require a specialist in the future -- if you're planning on having a surgery for example. If the answer is yes, you may want to consider a PPO plan so you have that flexibility.

Also, if you have a preference for which doctor you see, check to make sure your preferred doctor is covered in a plan's network. With a PPO plan, you will have more flexibility to choose your doctors, but with an HMO plan, you have to select from the available primary care physicians in your network.



Bottom line, if you have a doctor you love and want to stay with, select a plan that allows you to do so.

## STEP THREE

### Compare Provider Networks.

A provider network is a list of doctors, health care providers, and hospitals that are contracted to a specific health insurance plan. If you have a preferred doctor, you'll want to make sure that they are contracted in your provider network and covered by your health insurance policy to ensure you stay in-network and keep costs down.

You'll also want to check for nearby hospitals and health care organizations in your area to make sure they are covered under the policy you're reviewing. We suggest eliminating any policies that don't have local in-network doctors and those with few provider options.

## STEP FOUR

### Compare Out of Pocket Costs.

We recommend looking at the plan summary for the policies you want to compare. You'll see the type of plan at the top (HMO, PPO, etc.) along with a summary of costs including a deductible, coinsurance/copayment, and out of pocket limit/max. This outlines the costs you pay when seeking medical attention, the cost your provider pays, and the maximum you'll pay in medical expenses in a calendar year.

**\$** **Deductible** - The amount you pay for covered in-network services each year before the plan pays for specified services. Some plans have a separate in-network and out-of-network deductibles. If you choose a plan with an individual deductible of \$5,000 for example, that means that you'll have to pay \$5,000 in in-network medical expenses before your plan provider starts paying for a portion of the services.

**\$** **Coinsurance/Copayment** - The amount you pay to a healthcare provider at the time you receive services. You may have to pay a copay for each covered visit to your doctor, depending on your plan, though not all plans have a copay.

**\$** **Out of Pocket Limit/Max** - This is the annual limit on your costs. After you meet the maximum out-of-pocket amount, your plan pays for 100% of covered services. You may still pay copayments, and you will still have to pay for non-covered services. Refer to the plan's Benefits Summary for more details.

# STEP FIVE

## Compare Premiums & Deductibles.

As a general rule of thumb, the higher the deductible, the lower your monthly premiums. The lower your deductible, the higher your monthly premiums.

While cost is important, it's also important to determine what other factors affect your premium and deductible. For example, a high deductible plan with lower monthly premiums, may be better suited for someone who:

- Is young, healthy and doesn't see the doctor frequently
- Is not planning on any major surgeries
- Is not planning on having a baby
- Does not have a chronic condition such as diabetes or cancer
- Can't afford the higher monthly premiums

A lower deductible plan with higher monthly premiums, however, may be best suited for someone who:

- Sees a doctor, specialist, or primary physician frequently
- Needs emergency care
- Is expecting or trying to have a baby
- Has a family with small children that may require more frequent medical attention
- Has a planned surgery
- Has a chronic condition

The most important part of selecting a health insurance plan is picking one that best suits your individual or family's anticipated needs as well as protects you or your family in the event of an unanticipated emergency.



## STEP SIX

### Compare Benefits.

Once you've narrowed down to a few plan options, determine which healthcare services are most important to you or your family in a particular health insurance policy. For example, you may want to consider:

- If you take medications, determine whether they are considered generic or specialty prescriptions. How much of that prescription cost is covered under the plan?
- Which prescriptions are covered under the plan?
- Is physical therapy covered?
- Is mental health care covered?
- What maternity services are covered?
- If you get sick, how much would you pay to visit a doctor?
- If you get sick traveling abroad, what happens?
- If you get injured, what is the cost to see a specialist?
- If you get admitted to the emergency room, what happens?

Answer the questions that are most important to you and your family to find the policy that best fits your needs, situation, and budget.

## STEP SEVEN

### Select a Plan.

Once you've selected a plan, make sure to cancel your other health plan if there will be overlap in coverage to prevent paying multiple premiums.

Have questions about how to select a health insurance plan for your or your family? Contact us!



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### **Steve Grady, Benefits Specialist**

For over 15 years Steve Grady has helped businesses navigate the complexities of health insurance. He uses a straightforward, easy to understand approach to explain the often complicated new plan designs, provider networks, and compliance issues. Her offers that “something extra” that clients appreciate.



### **Gretchen Ferguson, Human Resources & Benefits Specialist**

Gretchen is a highly experienced HR professional and licensed insurance broker. Her years of industry experience combined with her benefits knowledge makes her the perfect resource for your business.