

Illinois Health Insurance Buyers Guide



By

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Health insurance is one of the most important decisions you make to protect against catastrophic financial risk. Finding a health insurance carrier that offers the type of plan you need at an affordable price can be overwhelming. This Illinois Health Insurance Buyers Guide helps you make an informed decision on what is best for you and/or your family.

So who am I, and why should you listen to me? I'm Randy Gillespie, the President of Focus Insurance Group. My passion is helping individuals, families and companies navigate through the maze of health insurance and employee benefit options. Along the way, I've come across common questions and sources of confusion. Sad to say, but I've seen horror stories along the way with people carrying insurance that just plain doesn't make sense for them. This Buyers Guide shares my personal expert opinion as an overview and entry point for you which will be enclosed in a box and highlighted blue. Of course every situation is different, so I urge you to call us directly to discuss your personal or business situation. --- *Randy Gillespie, President of Focus Insurance Group Inc.*

1. The first step in picking a good health insurance plan is in understanding the provider networks. Any network would be worthless to you if the doctors you need aren't covered.
 - a. PPO (Preferred Provider Organization) - A group of providers who have joined a network and agreed upon a negotiated discounted rate for all fees and services. PPO's allow you to go to any doctor you choose without first getting a referral, with the amount covered dependent upon whether the doctor is considered to be "In Network".
 - b. HMO (Health Maintenance Organization) - HMO's are typically smaller networks that can offer better benefits and cheaper prices if you stay in network. You would have a primary care physician, and would need to get a referral from them before seeing a specialist.

With both PPO and HMO, to minimize your out-of-pocket costs it is very important to choose a network in which your doctors participate. If you're not sure which network would be the best fit for you, give me a call and I'd be glad to help.

2. Choosing a network – You should find a network that has the doctors and hospitals that you want to go to as "IN NETWORK" providers. An easy way to do this is to do a search online and verify that the doctors you want are listed in the provider network directory.

Some of the online network websites are:

www.phcs.com

www.healthlink.com

www.multiplan.com

www.bcbsil.com

www.anthem.com

This is extremely important. Don't always rely 100% on what your doctor office tells you. Some doctors have no problem letting you know they accept your insurance, but what they don't tell you is if they are IN or OUT of network. They let the insurance carrier figure that out. If the doctor is out of network the carrier will bill accordingly. As long as the doctor office gets paid they sometimes don't care. This will increase your out of pocket cost substantially; typically everything doubles.

3. For the most part there are a couple different style of plans to choose from, they are the Traditional style plan design and the Health Savings Account type plan:
 - a. Traditional Style Plan - Traditional style plans typically offer doctor office visits and prescription drugs up front without having to meet your deductible first. The benefits offered up front can vary by carrier so it's important to do a side by side comparison.
 - b. HSA (Health Savings Account) - HSA's are high deductible plans that offer limited benefits, if any, until you meet your deductible. They allow you to open up a "Health Savings Account" where you can set aside additional monies on a tax free basis for all future qualified health related expenses. They can be very advantageous if you take advantage of the tax savings. With most carriers you are responsible for ALL cost until your deductible has been met. For more information go to Focus Insurance Group www.focusinsgroup.com (FAQ) frequently asked questions link and download the HSA Road Rules which will give you all the rules and regulations.

A lot of my self employed customers will put in the maximum contribution to their HSA accounts and use this as an additional retirement vehicle and just pay claims out of pocket when they occur. For information download the Health Savings Account Road rules & Regulations. (HSA Road Rules Consumer 7th Edition)

4. At Focus Insurance Group the different plan types will be shown during the Quoting Process so you can decide which benefit plan would best suit your needs and budget.
 - a. To run a quote is simple, we need some basic information, like your name, telephone number, date of birth, height & weight, smoker or non-smoker and your zip code.

For your convenience you can run a free competitive quote 24X7 any time you like from my website, www.focusinsgroup.com . Once you click on the "get quotes quote now" button from the website it will take you through the online quoting process, it will show a little red asterisk (*) by the information that is needed to run a quote. Or you can give me a call and I'd be happy to run a quote for you.
 - b. This information is used to get an offer from each carrier.
5. One of the truly key features of this quoting process is being able to do a side by side comparison of the plans you are most interested in.
 - a. You can pick up to four plans at a time and do a side by side comparison of plans that you are interested in and have selected. After selection just hit "compare". This will

give you the advantage of seeing exactly what you are getting and being able to compare the different carriers plans and pricing. Here are some important things to compare.

- Premium or rates – By law the health insurance carriers only have one set of rates if the data being entered is the same. So if you were to compare the same plan with other websites or other agents you would get the exact same price.

Some agents will say they can give you a better rate because they are a preferred agent with the carrier, but that is NOT true. Every agent has the same rates from a given carrier.

- Make sure it's a major medical – What is a major medical you might ask? A major medical plan is one where once you reach your max out of pocket the carrier is responsible for 100% of everything after that.

I could tell you horror stories about other agents that have sold their customers discount cards as a major medical. The customer thinks “wow this is really good and cheap” at least until they need it and find out absolutely nothing is covered.

- Deductible and co-insurance levels – After your deductible has been met most traditional style plans have co-insurance levels. What this means is that you will share the cost with the carrier until your max out of pocket has been satisfied. For example if your co-insurance was an 80/20 split to \$10,000, then the carrier is responsible for \$8,000 or 80% and you would be responsible for \$2,000 or 20%.
- Max Out of Pocket – This is a combination of the deductible and the coinsurance.

This is in my opinion the most important thing to consider. Once your max out of pocket for In and Out of network claims is reached the carrier would pay the rest for the remainder of the calendar year or plan year in some circumstances. Be careful because In and Out of network claims do not usually count together towards satisfying the out of pocket maximum.

- Lifetime Maximum – This is the amount the carrier will cover over your lifetime as long as the policy is in force. I would recommend a lifetime maximum of at least \$3 Million.
- Doctor office co-pays – Co-pays typically range anywhere from \$20 to \$50. So they are not as important as some of the other things to consider. Co-pays usually never count towards deductible.
- Prescription Drugs – Most insurance carriers/companies offer a prescription drug co-pay. This varies widely by carrier. Some offer a flat co-pay for each

level which is typically called Tier 1 (Generic), Tier 2 (Preferred Name Brand) and Tier 3 (Name brand). Some have deductibles that have to be met first. This should be looked at closely during the side by side comparison, as some drugs can be very expensive. Again these co-pays do not go towards the deductible or coinsurance.

- Preventive Care – Most carriers offer a preventive care benefit with their plans that you should take advantage of. Depending on if you're a man or woman some of the tests that are usually covered include immunizations, routine physical exams, PSA testing, routine mammograms, pap smears & colorectal cancer screening. With most carriers you do not have to meet the deductible first, so these are up front benefits. They can vary by health insurance carrier and plan type. When comparing plans side by side, check the stated benefit level, which is typically between \$300 and \$1,000 per person per calendar year.
- Maternity – Maternity can be expensive and is not recommended unless you are interested in having a baby. With most carriers maternity coverage has to be effective on the policy for at least 12 to 18 months before it would be covered.

If you are already pregnant, try this as an alternative. Call up your local hospital where you would like to deliver and play "let's make a deal". Tell them that your health insurance does not cover maternity and ask them if you can come to an agreed upon price for a normal birth. Some hospitals are more than willing to negotiate a discounted rate, but you usually have to pay them up front.

6. **The Application Process** – You can fill out a paper application or you can fill out an application online. The application process is quicker if you fill out an online application. Once filled out and sent in, your application will go to the underwriting department. The underwriters will review the application looking for possible risk. If needed, they will order medical records for further clarification of any condition.

One thing to remember in filling out the application is to be as thorough and honest as possible. List all your conditions whether you think they are important or not. If you have a condition that is not disclosed and the health insurance carrier feels like you filled the application out fraudulently, they can rescind your policy. This means they would cancel your policy and you would then have NO coverage. Once they pull your medical records they are going to find out anyway. Honesty is by far the best policy.

Some of the possible decisions you can receive from the underwriting department are:

- a. **Rate-up of premium** – This is a preexisting condition that is not too serious but would be considered a possible risk for the carrier. Most carriers will charge an extra

premium for taking on a higher risk (compared to if you were in perfect health with no preexisting conditions).

- b. **Riders / Waivers / Exclusions** – If you have a preexisting condition which could present a much higher risk to the carrier, most carriers will consider placing a rider, waiver or exclusion for that condition temporarily or permanently. This means the preexisting condition would not be covered under your policy. You will ALWAYS be given the right to accept or decline this offer from the carrier before the policy would go into effect.
 - c. **Declined** – If a preexisting condition is serious and the carrier doesn't want to take the risk they can decline your application for coverage and refuse to offer coverage. If this happens, you have several options. You can check with another health insurance carrier to see if you would be accepted there because each carrier underwrites a little differently. In most states, if you have been declined you are eligible for the state's high risk pool that exists in most states. This is a program from the state for people that are otherwise uninsurable. The Illinois website is www.chip.state.il.us, and the Missouri website is www.mhip.org. You can go to these sites and run the premium calculator to figure out what kind of premium you would be charged in your area.
7. **Effective Date** – Once you have made an offer to the health insurance carrier and it's accepted the coverage will go into effect on the date that you requested as your effective date. With some carriers this can only be the 1st or the 15th of each month and with others it could be any day you desired. Once this happens, congratulations, YOU'RE COVERED!!

I recommend not cancelling your current insurance until you have been approved and given notice from the agent or the carrier that you've been accepted. With most carriers if you have an illness after you fill out the application but before you get the policy you are required to give the carrier notice of this condition. Once the policy has been delivered you have a 10 day "free look" time period in which you could cancel the policy and get your money back.

8. **What to look out for** – Be very careful about agents and carriers that do not offer a major medical type plan. If you're not sure then get them to give it to you in writing.

There are a lot of agents out there that would sell their soul to make a sale and not give a hoot about the possible risk they are exposing you to. But even these carriers sometimes have their niche markets where they would be a good fit. Very seldom in my opinion, but it's possible. Unfortunately a lot of agents sometimes don't care. These plans are typically scheduled benefit type plans that will pay a limited amount per claim or per calendar year. Be VERY careful. Once you reach the maximum the carrier is willing to pay out for each claim or calendar year YOU are 100% out of pocket in a lot of cases. That's your pocket book, not the carriers.

I've run across customers that were well into the 6 figures because they were lied to, either directly or by omission, and sold a policy with limited benefits. These types of plans are

usually offered by agents that are captive agents, which mean they can only sell for that particular company. They sometimes use high pressure tactics to close the deal. With one of the carrier's the agents would ask the customer, "What would you do if you were singled out for a rate increase or cancelled?" They sell on fear, thinking that their association is the only way you can be well protected. They push very hard for a personal face to face appointment knowing that if they get their foot in the door they have a much better chance of closing the deal, but then you have nothing to compare their plans to. If an agent says there is an association fee to be eligible for the insurance I wouldn't even consider it.

If an agent says you will automatically be accepted, it is most likely a discount card program not an insurance policy. They say they have deep discounts on all kinds of services at doctor's office's and hospitals. The problem is if you call your local hospital or doctor they will probably not accept it. This is one case where I can honestly say, if you think it's too good to be true, you're probably right.

What should you do if you've been taken advantage of? Call your state's department of insurance and file a complaint. For Illinois the website is: <http://www.idfpr.com/DOI/Main/consumer.asp>. For Missouri the website is: <http://www.insurance.mo.gov>. Agents are required by law to carry Errors and Omissions Insurance for such circumstances.

9. **Broker agent** – You would be much better off with an independent agent that represents more than one carrier. The main reason is competition. Sooner or later you will want to shop the market place again. The biggest advantage of having a broker as an agent is that they'll help you get a better rate with the same or better coverage. They can also help you compare plans and pricing so you get the best possible plan and price for your family. And the best thing of all is our help is absolutely **FREE**. We get paid directly from the carrier. You can get a free competitive quote any time you like by going to my website: www.focusinsgroup.com.

What have you got to lose? "A Lot"

I hope this buyer's guide has given you a little insight as to how to go about finding the best possible plan for you or your family and what to look out for. If you are looking for some honest, experienced, and personal assistance please don't hesitate to contact Focus Insurance Group, Inc. We would certainly appreciate having the opportunity to earn your business. For further information of frequently asked questions please check out our website at www.focusinsgroup.com.