

# HEALTH BENEFITS OPEN ENROLLMENT

October 31, 8am—  
November 22, 5pm

# 2012

## Tips for Choosing a Medical Plan

### 1. Look beyond the premium.

Sure, the monthly premium is predictable and will remain unchanged for the plan year, but the full cost of the plan to you will depend on a number of factors. This is true whether you're considering the lowest-premium plan or even the highest-premium plan. Think about how the plan you select will work for you, your access to doctors, the range of benefits and what you pay when you use the services.

### 2. Identify Your Needs.

Think about what's important to you.

- Do you want to keep your costs for medical services as low as possible?
- Are you satisfied with being restricted to a specific group of doctors and having your services referred and authorized by a primary-care doctor and medical group? Or are you willing to pay a higher premium in order to access specialists directly, without authorizations?
- Do you or a family member want to see specific doctors, and are those doctors available under the health plan you are considering?
- Are there specific services or treatments you would like covered?
- Do you or a family member regularly use prescription drugs, and are the drugs you need on the plan formulary or list of preferred drugs?

### 3. Understand the basics of how plans work.

UC offers many types of plans and they all work very differently.

- **HMOs** (Health Maintenance Organizations) limit covered services to specific doctors and hospitals, and many services, including consultations with specialists, must be authorized in advance by your primary-care doctor, medical group or health plan. With HMOs, you pay set co-pays for most services. HMOs generally are more restrictive than POS

and PPO plans, but they help keep your costs for covered services lower. UC offers four HMOs: Health Net Blue & Gold, Health Net, Kaiser and Western Health Advantage (UC Davis area only).

- A **POS** (Point of Service) plan combines characteristics of an HMO and a PPO into one plan. With a POS, how you use the plan determines what you pay. If you use in-network HMO-level services through your primary care physician, you pay set co-pays for most of those services. Or you can use the plan like a PPO, directing your own care. When you use the plan like a PPO, you are subject to a deductible and co-insurance, or a percent of the cost of the services. By staying in-network you keep your costs lower, but you have the option of going outside your medical group network at a higher cost. Anthem Blue Cross PLUS is the POS plan UC offers.
- A **PPO** (Preferred Provider Organizations) plan allows you to direct your own care and decide where to obtain most services. You are not required to obtain authorization to consult specialists, but the plan should pre-certify some services — surgeries, for example. If you use the plan's participating providers, you pay less than if you use providers who are not contracted with the plan. Under a PPO, you are subject to annual deductibles and co-insurance for most services. UC offers the Anthem Blue Cross PPO.
- A **PPO with HRA** (PPO with Health Reimbursement Account) plan provides up-front dollars from an employer-funded Health Reimbursement Account to help pay eligible expenses. After the HRA is used up, you pay all costs until you meet the deductible. Until you meet the deductible, you pay the full cost for services and prescription drugs; there are no copayments or co-insurance. After the

deductible is met, you pay a co-insurance—just like in a PPO plan. You may see any provider you choose, but choosing a plan-contracted provider helps keep your costs lower. The Anthem Lumenos PPO with HRA is UC's PPO with HRA plan.

- The **fee-for-service indemnity plan** that UC offers, called Core, has a very high deductible. You pay all costs until the deductible is met. Then Core provides coverage for basic medical services, for which you pay a coinsurance. Under the Core plan, you may choose any provider.

#### **4. Consider out-of-pocket costs.**

Your out-of-pocket costs are the amounts you should expect to pay for services under your plan. In general, with HMOs you pay set co-payments, and with PPOs you are subject to annual deductibles and co-insurance amounts for most services. With POS plans, you will pay co-pays or co-insurance, depending on how you are accessing services. There may be services for which you must pay a co-insurance under an HMO (for example, infertility treatment on some plans). As a result of health care reform legislation, certain preventive care services are provided at no charge. You can review a plan's schedule of benefits to learn what your share of the cost will be for specific services.

Plans also have annual maximum out-of-pocket amounts, which are often overlooked. A plan's out-of-pocket maximum protects you from paying an unlimited amount for services. Once you reach the maximum out-of-pocket, the plan pays 100 percent of most medical services for the remainder of the calendar year.

#### **5. Determine the plan's covered benefits and exclusions.**

You should review the range of benefits the plan covers, as well as what is not covered, in light of your specific needs. Some plans offer enhancements, such as coverage for chiropractic care and acupuncture. Infertility coverage differs among UC plans.

#### **6. Think about happens when you travel, or if your son or daughter is in college.**

If you travel or have a family member who lives out of the area, you may want to select a plan that provides services out of the area. HMO plans cover only emergency services when you are outside of your plan's service area, with the exception of Kaiser's Visiting Member Benefits. The Anthem Blue Cross plans provide coverage when you are outside of your plan's service area and will cover services outside of the U.S.

#### **7. Consider whether you expect any life changes in the new year.**

If you are anticipating changes to your family, or if you are planning to retire, you should consider what your needs may be after your circumstances change. UC allows you to change plans outside of Open Enrollment when you have a newly eligible family member. A new family member may result in premium increases and a change in the plan services you and your family will be using.

Retirement and coordination with Medicare may affect your plan benefits. You cannot change plans at the time of retirement unless your current plan is not available in your ZIP code; retirees also have an annual Open Enrollment. If you are retiring mid-year, anticipating how your plan will work in retirement — with Medicare if you are eligible — can be important.

#### **8. Consider coverage for prescription drugs.**

Co-pays and coinsurance for prescription drugs vary among plans. With most UC plans, you pay set co-pays for most covered prescription drugs. Anthem Lumenos and Core members are responsible for the full cost of prescription drugs until the annual deductible is met. Most plans have formularies or list of preferred drugs. If your drug is on the plan's formulary, your co-pays for the drug are lower than if the drug is a non-formulary medication. You may want to check the plan formulary to see if your drugs are on it to help keep your costs lower.

#### **9. Know what behavioral health benefits are being offered.**

Most UC plans offer behavioral health benefits through United Behavioral Health (UBH). Anthem Blue Cross PLUS and PPO, Anthem Lumenos plans include an out-of-network benefit, and notice should be given to UBH of your intent to use an out-of-network provider. Kaiser members can access behavioral services through Kaiser or through UBH. Core covers behavioral health services subject to your deductible and co-insurance.

#### **Congratulations! You're on the road to finding the "best" plan for you and your family.**

The UC-sponsored plans are varied and none can be said to be the best one overall. If you review the plan benefits and costs, and consider your personal circumstances, you will be in the best position to select the best plan for *you*.

*Special thanks to Bridget Sheehan-Watanabe, UCLA health care facilitator.*