

Insure U Online Provides Basic Information and Special Considerations by Life Stage

Health insurance – critical to the peace of mind of most Americans – has become increasingly complex and expensive, according to The National Association of Insurance Commissioners (NAIC). A maze of options and cost considerations – from Health Maintenance Organizations to Health Savings Accounts – now confront consumers. To help individuals clear up the confusion and gain a better understanding of the costs of their coverage, the NAIC has assembled useful information about health insurance – all organized by life stage needs – on a new consumer education web site called Insure U (www.InsureUonline.org).

Recent research conducted by the NAIC indicates that cost and confusion regarding health insurance are significant issues for consumers across all life stages, even for those with access to health insurance through their employers or government programs like Medicare. According to the NAIC survey:

- Only 36 percent of young singles said they knew the difference between an HMO and PPO. In addition, a high number – 18 percent – said they had declined health insurance offered by their employers as a way to save money on the portion of premiums they are asked to contribute.
- More than half of respondents from established families said they did not understand the terms under which they can elect to continue their health coverage from their old employer if their employment ends, as provided under COBRA (the Consolidated Omnibus Budget Reconciliation Act). Specifically, they did not understand they had to pay the full cost of their premiums, or that their coverage would end after 18 months.
- Only 12 percent of older Americans thought they were very likely to need long-term care, even though some data indicate that 60 percent are likely to need long-term care at some point. In addition, those seniors surveyed underestimated the cost of long-term care by 100 percent – saying that expense would come to around \$35,000 a year when the national average is closer to \$70,000 per year.
- Of those who have purchased medical discount cards (which typically provide a discount off fees charged by participating doctors), 18% said their experience had been very or somewhat negative.

Tips to Help Consumers Lower their Health Insurance Premiums

Health insurance – whether provided by an employer or purchased by individuals – is expensive. Following are some ways consumers can control their costs.

- Married couples in situations where both spouses are offered health insurance through their jobs should compare the coverage and costs (premiums, co-pays and deductibles) to determine which policy is best for the family.
- Always stay in-network when possible, making sure to get referrals and pre-certifications as required by the plan.
- Keep all receipts for medical services, whether in- or out-of-network. In the event you exceed your deductible, you may qualify to take a tax deduction for out-of-pocket medical bills.
- Consider opening a Flexible Spending Account (FSA), if your employer offers one, which allows you to set aside pre-tax dollars for out-of-pocket medical expenses.

Health Insurance Tips for Different Life Stages

The NAIC's consumer web site, Insure U, explains the different types of health insurance and gives focused tips to consumers based on their likely needs in different life stages. For example:

- **Young singles** who may not yet have a full-time job that offers health benefits should be aware that in a growing number of states, single adult dependents may be able to continue to get health coverage for an extended period under their parents' health insurance policies even if they are no longer full-time students. Connecticut law requires individuals and group health insurance policies to provide coverage of a child until the child attains the age of 19 if not a full-time student or attains the age of 23 if the child is a full-time student in an accredited institution. In addition, some colleges also offer graduates interim coverage for a limited time. Another option: young people who can't afford the health insurance offered by their employers should consider a lower cost, high-deductible medical plan to cover catastrophic medical costs.
- **Young couples** expecting a child should make sure they register their newborn with their health insurance provider within the deadline required. They should also review their health plan to see whether prenatal and neo-natal screening and tests, prenatal vitamins, delivery costs (Cesarean and traditional) and what level of pediatric care are covered.
- **Established families** with children should consider Flexible Spending Accounts if available to help pay for common childhood medical problems such as allergy tests, braces and replacements for lost eyeglasses, retainers and the like, which are often not covered by basic health insurance. All workers who lose or change jobs should know their rights to continue their health coverage under COBRA for up to 18 months.
- **Empty Nesters/Seniors** who are under 65 and no longer employed, but whose COBRA benefits have run out, should research high deductible medical plans. At this life stage, consumers may want to evaluate whether they still need disability insurance. Many will want to decide whether long-term care insurance makes sense for them (e.g., will they be able to afford the premiums into old age, when most need to use such coverage).

“The more than 45 million consumers without any health coverage are particularly vulnerable to being targeted by fake companies selling discount health cards or bogus health insurance,” noted Catherine J. Weatherford, NAIC Executive Vice President and CEO. “All consumers should be aware that discount health cards are *not* insurance plans, and therefore aren't regulated by the state insurance department in some states. Before purchasing any kind of health insurance, all consumers should protect themselves against scams by taking a few minutes to stop, call their state insurance department and confirm that the company offering the policy is legitimate and authorized to sell insurance in their state.”

For more information about insurance, consumers can visit the NAIC's consumer education web site, Insure U, at www.InsureUonline.org.