

Understanding High Deductible Health Plans

What is a HDHP?

HDHPs have lower premiums than traditional copay based health plans. The trade-off is that these plans also have a higher deductible — a fixed dollar amount you must pay out-of-pocket before your plan begins covering your care. Your coverage starts once you “meet” your deductible. This means that your out-of-pocket costs will typically be higher than with a traditional plan. Even in a high deductible plan, there are ways for you to control your costs. The key is understanding your plan and your options. Please visit <http://hr.richmond.edu/benefits/insurance/medical/hdhp-plan.html> to view the University of Richmond’s HDHP plan.

What Will I Have to Pay?

Before you meet your deductible you are responsible for paying Anthem’s negotiated cost for office visits, prescription drugs and other services. Under the Affordable Care Act, many plans including HDHPs will cover preventive services like annual physicals, cancer screenings and routine immunizations (as determined by Anthem) before you meet your deductible and without having to pay a co-pay or co-insurance. Keep in mind that this applies to services provided by in-network providers.

After you meet your deductible, you will still have to pay co-pays for prescription drugs until you reach the out of pocket limit.

Remember that your plan may have different deductibles for single and family coverage. Also, your plan may have separate deductibles for different types of services, like in-network and out-of-network care. Before you decide which plan to choose read through the plan documents, attend an Open Enrollment Information session, visit the Anthem representative at the Benefit Fairs or visit Anthem’s website so that you know exactly what’s covered and what you will need to pay before and after you meet your deductible.

How Do I Pay for Care?

If you select a HDHP, you are able to set up a savings plan to help pay for eligible medical expenses. These plans let you or your employer put aside pre-tax money to offset your deductible. If you still have money in your account after you meet your deductible, you may use it for co-pays, co-insurance, other types of costs, or you may save it from year to year. Please see the information regarding Health Savings Accounts.

How Will I Know When I Meet My Deductible?

When you visit your doctor or have a procedure, your provider submits a claim to your health plan if they are in-network. Anthem will track the cost of the service and apply eligible costs to your deductible. To find out what your plan considers to be an eligible cost, read through your plan documents or contact Anthem with any questions.

The explanation of benefits (EOB) form that your plan sends after you receive a service will show whether you have met your deductible or not. If you are still below the limit, your EOB will say that the plan has not paid for the service and you will need to pay the full cost. If you have met your deductible, your EOB will show how much your plan paid, according to its rules. You can also call Anthem or visit their website to see how close you are to meeting your deductible.

It's a smart idea to keep track on your end, too. Be sure to keep a record and copy of all your healthcare receipts and claims, along with how much should be applied to your deductible. That way you can make sure that your health plan is recording your payments and applying them to your deductible correctly.

Know Before You Go

If you haven't met your deductible, it's a good idea to know how much your service will cost before you visit the doctor. You can estimate your out-of-pocket costs for services on the Anthem website with the "Estimate Your Cost" tool.

You can also ask your doctor directly how much a procedure or service will cost. If you stay in your plan's network, your doctor will usually charge your plan's in-network "contracted rate" even if you are paying the whole amount out-of-pocket because you have not yet met your deductible. If you go out-of-network, the cost will usually be higher than the in-network contracted rate and you will be balance billed.

Ask Your Healthcare Professional About Lower-Cost Options

In some cases, you may want to talk to your doctor about the cost of your care. Your doctor might be willing to accept a lower fee or let you pay in installments over time. You can also ask about lower cost options for your care. For instance, you will pay much less for generic drugs than brand names, or for a pill or injection that can be taken at home instead of in a doctor's office.

Take Prevention Seriously

The best way to keep your healthcare costs low is to stay healthy. Of course, that's not always possible, but we can reduce our health risks by taking care of ourselves. Find out what preventive services are covered - before and after you meet your deductible and take advantage of recommended screenings and regular checkups. Make an effort to eat a healthy diet, get regular exercise, quit smoking and manage your stress.