



# Five questions to ask when you're changing health insurance plans

Leah Shepherd | June 2011

When you change jobs or your spouse changes jobs, you may face a confusing set of decisions regarding health care benefits. Before you enroll in a health insurance plan at your new job or switch to your spouse's plan, you'll need to consider some important details.

Here are five key questions to ask about the plan before you enroll.

## 1. Is there a waiting period for eligibility?

If your or your spouse is changing jobs — and health insurance plans — you'll need to consider such things as whether your doctors will be part of the new insurance network.

"Many employers could have a waiting period of one, two or three months before an employee would be eligible for coverage," says Larry Gelb, president and CEO of CareCounsel, a San Rafael, Calif.-based provider of health care assistance and advisory services for employers and consumers.

If there is a waiting period, you can pay for COBRA coverage under your old plan until you're eligible for the new plan. Otherwise, the new plan might exclude coverage for pre-existing conditions for a year or more. Coverage under COBRA (Consolidated Omnibus Budget

Reconciliation Act) typically costs more than coverage under your old health insurance plan.

"Ask if the new plan that you're considering has any pre-existing condition exclusions. You may need a certificate of continuous coverage. If you don't have a certificate of continuous coverage from your previous plan, make sure you get it," Gelb says.

Starting in 2014, health insurers no longer can deny coverage for pre-existing conditions, under the federal health care reform law. But until 2014, it's best to avoid a lapse in coverage. In employer-sponsored group plans, the insurer can't deny coverage for pre-existing conditions unless you've had a coverage gap. (The rules are different for individual insurance plans).

## 2. Is my doctor in the network?

If it's important that you stay with your current doctor, call your doctor to find out whether he or she takes the new insurance. You also can check the physician listings on the plan's website, but they're not always up to date.

This step is especially important if the plan is an HMO, as HMOs usually provide limited or no coverage if a doctor or hospital is out of the network.

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### 3. What are the out-of-pocket costs?

When you're choosing a plan, don't just look at what your monthly premium charge will be. Factor in the other out-of-pocket expenses, which may include a deductible, co-pays and co-insurance.

If you have a chronic condition or see a doctor regularly, these charges can add up. Many group plans have no deductible at all, but in a high-deductible health plan, the deductible for family coverage is at least \$2,400.

**Marty Rosen, executive vice president of Health Advocate Inc., a Plymouth Meeting, Pa.-based health care advocacy and assistance company, suggests reviewing your family's health care expenses from the past year.**

**"Did something change in the last 12 months, or is something going to change in the next 12 months? For example, you're planning to start a family or your wife is already pregnant," Rosen says.**

If you're concerned about high out-of-pocket costs, don't rely solely on information from a health insurance broker or a health insurance plan's customer service representative. Ask your human resources representative to give you the summary plan description, a document that outlines all the details of the coverage.

Jacques Chambers, a health benefits consultant and counselor in Los Angeles, suggests: "Don't learn your entire plan, but learn the parts that are important to you and your medical needs. Just get a better idea of what the plan does for you, based on your needs."

Also, Chambers says, learn how to appeal denials of health insurance claims.

### 4. What's the coverage for my prescriptions?

Check the plan's formulary (list of medicines) to see whether your prescription drugs are covered and at what level. Many plans have tiered coverage for prescriptions, with different co-pays or co-insurance at each tier. Your co-pay will be lower if your drug is in a preferred tier.

In addition, ask whether there's a mail-order pharmacy option, which typically is a cheaper way to buy medication for a chronic condition.

### 5. Are there coverage limits for specialists?

Even when your doctor or specialist is in a health insurance plan's network, there could be coverage limitations. For example, coverage for physical therapy might be limited to 10 or 20 sessions.

"If there are certain specialty areas that are important to you as a health care consumer, you want to see what the coverage is in terms of those specialties. Are there dollar limits or session limits?" Gelb says.

#### 'Check and verify'

Health insurance can be complex and mind-boggling. Ask lots of questions if there's anything that's unclear.

**"Don't assume. Check and verify," Rosen says. "People get themselves into trouble when they make assumptions."**

If the health insurer is one you've used before, don't assume that the coverage levels are identical. Employers set up unique plans with health insurers, so the rules and restrictions could vary, even when the insurance company or the plan name is the same.