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## **LEARNING THE ABC'S OF HEALTH INSURANCE DURING THE OPEN ENROLLMENT PERIOD**

November 3, 2005, New Orleans, LA – This year, for the first time ever, many employers across the country are making enormous changes to their benefit plans, implementing high deductible plans along with the option of setting up a health savings account using pre-tax dollars. Employees and their families are faced with having to engage in detailed analysis of their medical and financial situations in order to make the best decision possible. Most Americans who receive health insurance through their employer are currently weighing their options during the annual “open enrollment” period.

In order to make an informed choice, consumers need to understand the various options, benefits and pitfalls of each. Here's a quick primer from Jane Cooper, President and CEO of national healthcare advocacy company Patient Care, [www.patientcare4u.com](http://www.patientcare4u.com):

**HMO** – There are very, very few HMO plans being offered for 2006. They are just too expensive for companies and employees and offer limited choice of physicians and providers. An HMO typically requires co-payments and offers a closed provider network, with no out-of-network benefits.

**HDHP** - High deductible health plan. This option offers a PPO (preferred provider organization) or POS (point of service plan) that has a deductible in-network of \$1000 or greater. The member pays 100% for services up to the amount of the deductible. After the deductible is met, the member may pay 10%, 20% or is covered at 100% depending on the plan design. There is usually a larger deductible (over \$1000) for out-of-network benefits.

**HSA** – Health Savings Account. This is an IRS sponsored program which allows you or you and your employer to set aside money up to the level of your high deductible plan on a pre-tax basis (\$1000 or more for an individual/\$2000 or more for a family). This money belongs to you and can be used as a “healthcare checking account” for any eligible healthcare expenses. If you leave the company that offers the HSA the funds are portable so you can take the money with you.

**HRA** – Health Reimbursement Account. An HRA is also a pre-tax healthcare account that can be used to pay eligible healthcare expenses. However, the funds in the HRA do not accompany the employee if or when they leave the company that offers the HRA.

As you weigh all the options, be sure and compare plans that may be available through your spouse or partner's coverage. Compare the plans in detail - consider not only the cost per month but other factors, such as the type of coverage provided and the amount of copays and deductibles, to determine which plan is more cost-effective for your family.

For more information on Patient Care, visit [www.patientcare4u.com](http://www.patientcare4u.com) or call 1-866-253-2273.