

# THE UNIVERSITY OF IOWA

## THREE STEPS TO CHOOSING A HEALTH INSURANCE PLAN

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All health plans have trade-offs. You must decide what is most important to you based on your own personal needs. This sheet is provided as a tool to help you make your decision.

**This document is designed to be used together with the Health Plans comparison sheet.** The comparison sheet is available in your enrollment materials, on the Health Information area of the Benefits website at: [http://www.uiowa.edu/hr/benefits/healthinfo/index\\_facpsmse.html](http://www.uiowa.edu/hr/benefits/healthinfo/index_facpsmse.html), and at the Benefits Office (120 University Services Building).

**STEP ONE: Do the math. Consider premiums, deductibles, coinsurance, etc. Estimate what your out-of-pocket medical expenses for the following year could be for each health insurance plan you are considering.**

To make your estimate as accurate as possible, consider the lifestyle/family status and financial status factors listed below. It may be wise to do both an estimate based on an average of your past medical care and an estimate with a higher usage of medical care. This will give you a range of what your expenses could be. This estimate (less premium costs) will also be useful in determining if a health care Flexible Spending Account is appropriate for you, and if so, what your annual contribution should be.

### Lifestyle/Family Status Factors to Consider When Estimating Future Medical Expenses

- a. Are you or a family member planning to have a baby? **You will want to pay close attention to hospitalization coverage and costs, well-child coverage, and office visit costs.**
- b. Do you (or a family member) travel often? Will you have a family member who needs coverage in another geographic area (e.g., a child attending college)? **Where you receive your care is covered differently on the two plans. This could affect which plan is best for you. Keep in mind any deductibles, co-insurance, and out-of-pocket maximums (see below).**

### Financial Factors to Consider When Estimating Future Medical Expenses

- a. What is the monthly premium?
- b. What is the deductible? Where does it apply?
- c. How much is the co-payment for an office visit?
- d. What is the co-insurance percentage for services?
- e. What is the out-of-pocket maximum (OPM)?
- f. What is the structure of the prescription coverage plan? Is there a separate OPM for prescriptions?

*UIChoice has a three-tiered co-payment plan. When you fill a prescription on these plans, you pay the co-pay. The CHIP plan has a two-tiered plan, but on the CHIP plan you pay the full cost of prescriptions and then you are reimbursed by Blue Cross (after your deductible and co-insurance).*

- g. Will you have to pay more than your deductible and co-payment/co-insurance amount for medical services? Does your plan have a network you can utilize to lower your expenses?

- h. What are the financial details pertaining to coverage that may be important to you?  
Things you may want to consider are:

Office calls	Emergency room care
Hospital room and board	Preventive services
Treatment of chronic conditions	Inpatient hospital services
Consultations with specialists	Prescription drugs and contraceptives
Hearing exam	X-ray and laboratory services
Physical therapy	Routine physicals
Immunizations	Allergy treatments
Skilled nursing facility care	Hospice care
Well-child care	Routine eye exam
Maternity services (including pre-natal care and delivery)	Home health care (e.g., the services of a licensed private duty nurse)
Rehabilitation services (including speech, respiratory and occupational therapy)	Chiropractic care

Mental health/nervous/substance abuse treatment - inpatient and outpatient – UIChoice covers Level 1 and 2 providers at one level while Level 3 providers are covered with 40% co-insurance. CHIP plans cover any provider at one level.

**STEP TWO: Consider the provider access issues below (also keep in mind the Lifestyle/Family Status Factors).**

- a. Do you have to use certain physicians or hospitals? If so, given the plan's participating providers, who (or where) would you choose for:

1. A primary care provider?
2. Specialists?
3. A hospital?

**UIChoice covers any provider** – Level 1 and 2 providers can lower your out-of-pocket costs, as can BC/BS providers (especially when out of state). **CHIP plans cover any provider** but again, BC/BS providers can lower out-of-pocket expenses.

- b. Are there treatment locations that would be Level 1 or 2 providers in the UIChoice plan that are convenient to you?

**STEP THREE: Weigh your estimates of the possible out-of-pocket costs for the plans you are considering against any provider access issues. Make your decisions based on the factors that are the most important to you.**