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Top 5ive Ways to Find Cheaper Health Insurance

FINDING AFFORDABLE HEALTH care is no easy feat — and it's not getting any easier.

With overall premiums on the rise and employers pushing more of the expense onto employees, insurance costs for individuals are projected to jump 10% this year. The average employee already pays \$694 in annual premiums for individual coverage, and \$3,281 for family coverage, according to the Kaiser Family Foundation, a health-care nonprofit. Tack on co-pays, deductibles and prescription drugs and the bill gets even bigger.

Seeking out a less expensive plan is obviously the fastest way to cut your insurance costs. But if you're not cautious, you might end up sacrificing some important benefits, says Dave Knowlton, president of the New Jersey Health Care Quality Institute. "You have to be certain that if the worst-case scenario happens — you become seriously ill — that you are adequately protected," he says.

Here are five ways to help lower your health insurance bill without lowering your standard of care:

1) Increase your out-of-pocket costs

A good thing to keep in mind is that insurance is supposed to protect against a catastrophe, not pay for regular health maintenance costs. The more you agree to pay for things out of pocket in the form of deductibles and co-payments, the less you'll fork over in premiums. "For young, healthy people, it's a good way to save," says Phil Lebherz, founder of the Foundation for Health Coverage Education, a nonprofit. You're not paying for doctors' visits you won't make, or services you won't use. A 25-year-old woman that increases her Oxford Health Plans deductible from \$2,000 to \$2,850, for example, could cut her monthly premiums by 18%.

Even better: Many high-deductible plans are paired with health savings accounts, which allow you to stow away pretax contributions that grow tax-free and can be rolled over from year to year. Both employer and employee can add to the account. Until the deductible is met, any health-care expenses are paid out of the HSA. Keep health-care costs low, and it's possible to come out ahead, says Lebherz. But if you have significant health problems or expenses, the downside of this strategy can quickly outweigh any advantage. (Assess the options [here](#).)

2) Shop for private insurance

Buying private health insurance is the only coverage option for some consumers and the most frugal for others — even if they have an employer-sponsored plan to choose from. A healthy, 30-year-old male in Texas, for example, could pay as little as \$37 a month with a private policy, according to Insurance.com. That's \$250

a year less than the national average employee pays for individual coverage. (On the other hand, someone with a pre-existing condition might pay upwards of \$2,500 a year for private insurance — five times the cost of the company plan.)

Shopping for inexpensive private insurance, however, requires a substantial commitment of both time and effort, says Jonathan Pletzke, author of "Getting a Good Deal on Your Health Insurance Without Getting Ripped Off." Every insurer gets to set its own requirements within the confines of state regulations, he explains. That makes for a complex web of options, many of which hinge on the results of a physical exam. (For buying tips, click [here](#). Still not sold? Click [here](#) to assess the pros and cons of going private.)

Also, check state-run programs that offer free or low-cost insurance. Use the five-question [survey](#) at the Foundation for Health Coverage Education to determine your eligibility for different policies. Women and children have better odds of obtaining coverage — even if they aren't low-income, says Lebherz. A pregnant woman in California could make as much as \$63,000 a year and still qualify for free health care through state insurer Medi-Cal.

3) Juggle family coverage

The days when a married couple could choose to have family coverage on both partners' plans is long over. Without the two-plan option, spouses need to take a close look at both of their plans to determine which offers the best coverage for the kids, says Pletzke.

Crunch the numbers to see if you'd be better off with everyone on one plan, or if you should split coverage. Shop around for private insurance, too — especially if only one spouse is employed. It may be cheaper to keep one adult on the company plan, and buy a private family plan for the other partner and the children.

4) Reassess employer options

Nearly 60% of employers offer at least two plan options, according to benefits consultant Hewitt Associates. Even though one plan may have covered your health-care needs for years, it's important to reassess your needs each year. (A good time to do so would be during [open enrollment](#) season in the fall.) A decision to start a family or get some major dental work may make another plan a much more financially attractive option in the upcoming year. Here are two factors to consider while weighing your options.

•**Network providers:** Health care is increasingly moving toward managed networks of physicians and facilities, says Knowlton. Check that you aren't unnecessarily paying a higher premium because your plan allows you a choice of physician. "If your doctor is already in network and your lab is already in network, do you really care about having more choice?" he asks.

•**Benefit range:** The more benefits available to you, the more you'll pay. "Your premiums reflect as if you're using that benefit every single month," says Jeanne Brutman, a New York-based financial planner. If you're reasonably sure you won't need coverage for immunizations, maternity expenses or orthodontics in the coming year, switching to a plan that requires you to pay more out of pocket for such services (or doesn't cover them at all) could work in your favor.

5) Get healthy

It may seem obvious that losing weight or quitting smoking will reduce the number of visits to the doctor, but it can also dramatically cut insurance costs. More than 70% of employers currently offer or plan to offer financial incentives to those who participate in company wellness initiatives this year, according to the National Business Group on Health. The reward? Cash or contributions put toward either a health-care account aimed at helping employees offset out-of-pocket costs or directly toward an employee's premiums.

Employees at Crown Equipment Corp. of New Bremen, Ohio, for example, can cut their insurance premiums by up to \$360 annually if they undergo a short health-risk appraisal and meet with a health coach at least once. Should their spouse participate, too, they'd get another \$295. Dell's "Well at Dell" program is nearly as lucrative, but requires more commitment. Employees earn \$78 each year for completing an online health assessment; and up to \$225 more if they join and surpass one of the goals of a company wellness program. Family participation is encouraged, with another \$303 in available incentives.

While some companies are rewarding good behavior, others are penalizing those who refuse to give up their bad habits. PepsiCo charges smokers \$100 more annually for insurance coverage. And media company Tribune recently began tacking on a monthly premium surcharge of \$100 for workers who use tobacco products.