

BENEFITS CORNER



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“Open Enrollment Season!”

Welcome to Open Enrollment Season! For about 75% of the population this time of year marks the beginning of the annual open enrollment period for health insurance and other benefit options. Folks covered under their employer’s plans, individuals that purchase their own coverage and even those covered under Medicare are facing decisions as to which coverage will work best for 2015. Hopefully, these decisions will be good ones as, with few exceptions, this is the only time of year changes can be made.

This article will try to give a few handy tips and reminders to assist you in your decision making process. The primary focus will be on those who purchase their own coverage for their family or self.

Folks covered under their employer’s plan should receive adequate communication about their options directly from the company. Employer sponsored plans should be one of the first places to look when making a health insurance coverage decision. The employer is likely making at least a reasonable, if not generous, contribution to the cost of coverage. Additionally, most employers allow you to pay any required premium contribution you might have to make on a pre-tax basis; the only easy place to get this tax benefit.

For those that purchase coverage on their own, this marks the second year for open enrollment under the Affordable Care Act. This year’s annual open enrollment period is scheduled to occur between November 15th and February 15th, 2015. This will be the only time you can change your current coverage or get coverage for the first time without having a special qualifying circumstance. It is important that you make plans to act during this time frame.

When making personal coverage decisions there is a process I like to take people through to determine which coverage option will work best. The first step is to determine

the basic type of plan that will fit best. The two broad categories are the more traditional copay driven style of plan or one that has a higher deductible that can be paired with a health savings account (HSA). Either plan will offer “free” preventive care, but the day to day experience is different. The traditional copay plan will offer just that- copays for things like office visits and prescriptions. The HSA style plan will subject all covered services to a fairly high annual deductible, but offers more tax benefits for the paying of claims when you fund your HSA.

The next decision is to determine if you would be comfortable with a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO) plan. The HMO plans will typically offer a lower premium than a PPO. HMO plans will restrict your access to doctors much more than a PPO. The HMO will require you to get referrals to see a specialist and often have a more narrowed list of available providers. HMOs also don’t cover care outside of the referral network except in the event of an emergency.

PPOs, on the other hand, typically allow you to seek care from any network provider. PPOs will also often allow you to seek care from non-contracted providers and have it covered by the plan even in non-emergency situations. Care delivered by non-contracted providers will usually be subject to higher financial responsibility on your part with a higher deductible. PPOs, therefore, are usually viewed as a more flexible coverage option. In either case, PPO or HMO, be sure to check the network if keeping your current doctor is important to you.

After these first two decisions have been made, the next step in the process is to determine where to buy your coverage. You will have two options- directly from a carrier or through Colorado’s Marketplace exchange; Connect for Health Colorado. This decision is best made by determining your family’s household income. A household is your tax household, not those that may be living with you in the same house! You should consider purchasing your coverage through the Marketplace if your household income is below 400% of the Federal Poverty Level (FPL). That amount equates to \$46,680 for an individual and \$95,400 for a family of four. The reason these households should consider the Marketplace is that is the only outlet where you can claim a tax-credit to help pay for the coverage.

If you are currently receiving a subsidy, please be aware that the amount of subsidy is changing this year. The subsidy amount

is based not just on your income, but on a base plan in the Marketplace. The second lowest cost Silver plan available in your residential geographic rating area determines the actual value of the tax credit. For 2015, the amount of your subsidy will be going down due a carrier filing lower rates for their second lowest cost Silver plan (Colorado HealthOp). This means you might have to pay more to keep your current plan.

For households that have an income above the 400% FPL I recommend applying directly with an insurance company to avoid any potential issues associated with Connect for Health Colorado. It will usually be quicker and easier to secure your coverage this way.

You do not have to go to the Marketplace to purchase your health insurance plan. You only have to go the Marketplace if you want to claim a tax-credit.

The final decision to make will be which specific plan will work best for you. This decision usually comes down to the actual cost. Carrier options will provide a wide array of options from which to choose. There are four broad coverage categories; Bronze, Silver, Gold and Platinum. Bronze plans will be the least expensive in terms of monthly premium, but will have higher deductibles and copays for which you will be responsible to pay when seeking care. Platinum plans will be the most expensive and will have lower deductibles and copays. Silver plans have been the most popular with close to 70% of all enrollees choosing this level.

This can all seem very complicated and confusing. If you need assistance you should reach out to one of the certified insurance brokers in the area; there are many (including my office). You will not have to pay more to use a broker! Compensation for your broker is included in the premiums the insurance companies have set and it cannot be removed. Support your local broker and support your local economy!

Happy Open Enrollment Season!

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