

How To Choose An HSA-Qualified Health Insurance Plan

Congratulations on your decision to contact [HSA for America](#) about your health insurance needs. You are about to enter a business relationship that will save you time and aggravation, and that will save you money on your health insurance and your income taxes.

In this short report we will explain to you the basics of HSA-qualified health insurance plans, and how we work to save you money and make your life easier.

Oh, one more thing and it's important:

PLEASE READ THIS INFORMATION BEFORE YOUR SCHEDULED MEETING SO THAT YOU ARE PREPARED, AND SO THAT WE CAN FIND YOU THE BEST PLAN FOR YOUR NEEDS.

Why an HSA-Qualified Plan

For those who are paying for their own health insurance (as opposed to having it provided by an employer), there is no better way to go than by setting up a Health Savings Account. If you are not yet familiar with how HSAs work, please read the [HSA Info](#) page on our website before we meet.

There are several advantages to this type of plan. The first is simply that the premiums are much lower. Since insurance companies experience high costs to handle small claims, most people pay much more money to an insurance company to cover their doctor visits and prescriptions than if they paid those expenses out of their own pocket.

The second big advantage is the tax savings HSA plans provide. If you have an HSA-qualified plan, you are allowed to deposit up to \$2,900 as an individual or \$5,800 as a family into a Health Savings Account, or HSA (sometimes called a "medical IRA"). Any money you deposit into your health savings account is 100% tax-deductible on your federal income tax return, and all but 4 states now allow deductions on state income taxes as well.

The third compelling reason to choose an HSA plan is because they give you the ability to set up a tax-free Retirement Medical Account. The money in your health savings account grows tax-deferred, so it can add up to quite a bit by the time you reach age 65. Since the average couple is expected to need over \$200,000 to cover medical expenses during retirement, setting up an HSA now is essential.

Deciding On The Type Of Plan

HSA plans have deductibles of between \$1,100 and \$5,600 for individuals, and between \$2,200 and \$11,200 for families. Once the deductible has been met, most then pay 100% up to the lifetime limit, though some will pay 80% or some other percentage until the maximum out-of-pocket limit has been reached.

You will normally have several plans to choose from, so the first important step is to narrow down your choices by deciding the type of coverage that would be best for you.

The first thing to consider is whether you want a plan that covers outpatient doctor visits and prescription drugs, or if you are comfortable with one that only covers in-hospital expenses. The latter is naturally less expensive.

If you are looking at our [instant quote system](#), you can check each quote to see if it covers these expenses by clicking the Details link next to the instant quote result. On the Details screen, look up **Office Visits** and **Prescription Drugs**.

Take some time to review the available plans so that you have an idea of what looks most appealing when we talk.

Narrowing Down Your Choices

Once you have narrowed down your choices, you may wish to look at the nitty-gritty details a little more closely. Here are the main things you'll want to consider:

PPO Network

If you have a favorite doctor you cannot/will not leave, then be sure to check the PPO network to make certain that doctor is listed. You can do this at our website on the appropriate insurance company page.

Portability

Is there a chance you may move to a different state at some point in the future? If so, see how the plan would cover you. Do they offer coverage throughout the United States? Can you take your policy with you, or convert it to a plan in the new state?

Value

You first need to decide how much risk you're willing to take, in the form of your deductible, and the possible financial benefit of increasing your deductible. Often you can save almost as much (or more) money by taking a higher deductible as the increase in your potential out of pocket exposure. For example, if you can lower your premium by \$200 per month, or \$2,400 per year, by increasing your

deductible by \$2,000, then it would be financially prudent to raise your deductible – you will come out ahead whether you have any medical bills or not.

Buffer Your Risk with an Accident Plan

Because HSA plans have a higher deductible than you may be used to, you may want to consider adding a separate accident plan to your coverage. These plans have a \$100 deductible, and then cover 100% up to \$5,000 or \$10,000. The \$5,000 plan that we offer is \$24.95 per month, and the \$10,000 plan is \$39.95 per month. Both plans cover the entire family.

Adding an accident plan can reduce your exposure for an accident to only \$100, since the benefit can cover your deductible on your HSA plan. You can see details at our website on our [Accident Plan](#) page.

As you consider these questions, you'll probably have questions that come up. Write them down and I'll answer them when we meet.

Setting Up Your Health Savings Account

Once your health insurance application is submitted, you may set up your health savings account. There are numerous banks and administrators you can choose from, many which are listed on our website. We'll help you examine the fees and features so you can decide which one will best meet your needs.

How An Insurance Company Decides Who To Cover

All individual and family health insurance applications go through an approval process called "underwriting." The insurance company looks at how the questions on the application were answered, and they make a decision about whether they are going to offer coverage.

The policy may be issued with "preferred" rates for those that are most healthy, "standard" rates for those less so, or "rated up" if there are particular health problems that are of concern. The insurance company may also decide to offer a plan with a temporary or permanent exclusion on a pre-existing condition.

The underwriting process can vary in time depending on which insurance company is underwriting the application, and on what health conditions exist. Typically, decisions are made in two weeks or less, but if the underwriter decides to order medical records from your physician it could take longer.

Once you have been approved, the insurance company will send you your policy, and let you know if any exclusions or rate-ups were placed on the policy. You then have 10 days after you receive the policy to decide whether to accept it or not.

If there are unexpected exclusions, we will help you draft an appeal to get those removed.

If you are declined for coverage, there are several options. The first is to appeal the decline. We have a lot of experience dealing with these types of situations, and have been remarkably successful in getting insurance companies to change their decisions. Our other option is to look at other insurance companies who might look more favorably upon your situation. We could also consider a plan through state-sponsored guaranteed issue coverage.

Please inform us of any pre-existing health problems before your consultation, so that we have time to research the situation and see what insurance companies we would want to recommend.

How to Apply

Once you have decided on a plan, you'll need to submit an application for coverage. You can either apply online (with most of the companies we represent), or fax or mail in your application.

If you are in good health, the quickest way to get through the approval process is to apply online. However, if there are some health issues that may be of concern, we advise you to fax the application to us, so that we can review it before sending it on to the insurance company. This can speed up the process and reduce your chances of an unexpected exclusion or rate-up.

If you have coverage now, we will coordinate the start of your new plan to the last day that you've paid through on your current plan. This will prevent you from paying for health insurance twice.

Our Appointment

By doing a little thinking and investigation beforehand, you will get the most benefit out of your appointment. But if it all seems a little overwhelming at this point, don't worry. We'll help you sort everything out so that you can confidently make the very best decision.

Thanks for contacting **HSA for America**. We look forward to speaking with you soon!

Best regards,



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