



### Insurance Is No Longer a Luxury. It's a Necessity.



With health care reform being debated in Congress, the judicial courts as well as the court of public opinion, the one argument that stands out is that you need

health insurance. The primary reason for health insurance is the same reason you have any type of insurance policy — to protect you financially, especially in the case of serious or catastrophic illness. Without insurance, you are financially responsible for all of your health care costs.

Fortunately, many companies provide some type of health insurance coverage to their employees. In the United States, there are several different types of insurance plans.

- **Fee-for-service.** This is the traditional type of insurance policy. You pay a monthly fee, called a premium, and you select your doctor of choice, go to the hospital of your choice, and change doctors at your discretion. This plan also includes two types of services: basic insurance and major medical. The basic insurance pays toward the cost of hospital room, cost of surgery and health care while you're in the hospital. Major medical takes over where your basic coverage ends and covers the cost of an extended illness or injury. If your insurance offers both kinds of protection, it is called a comprehensive plan.
- **Health Maintenance Organization (HMO).** This plan contracts with its own group of doctors and hospitals and you are limited to health care professionals in this group. As in the fee-for-service plan, you pay a monthly premium plus a co-payment for doctor and emergency room visits. HMOs encourage patients to take advantage of preventive health care before health problems become serious. Additionally, in order to see another doctor, you must receive a referral from your primary physician.
- **Point-of-service (POS).** Under this plan, you can select an out-of-network physician and still receive some coverage. If a doctor within the network makes a referral outside of the network, the insurance plan will pay most, if not all, of the costs. If you refer yourself, you will have to pay coinsurance.

- **Preferred Provider Organization (PPO).** Like an HMO, there are a limited number of network providers from which to choose. A PPO is a combination of an HMO and a fee-for-service plan. With a PPO, you present a card when you go to the doctor's office, pay your copayment, but there is no paperwork to fill out.

You should be aware of a few other insurance policies, such as Medigap insurance, private insurance that pays medical bills that Medicare does not. Hospital Indemnity Insurance offers limited coverage and pays a fixed amount (up to a maximum number) for each day you're in the hospital. With Americans living longer, many are opting to purchase Long-Term Care insurance to pay for nursing home care, which can add up to several thousand dollars each month. Long-term care is usually not covered by any other health insurance plan.

Your local community bankers encourages you to take charge of the health care for you and your family.

- Read your insurance policy.
- Visit your physician regularly for preventive care.
- Keep health care files for you and your family, noting all dates of immunizations, doctor visits, hospital stays and treatment for illnesses.
- Ask for copies of lab results.
- Keep a list of all medications and insurance claims.

Any type of illness can become serious, but you can alleviate a lot of worry by being prepared in advance and knowing what expenses your insurance will pay and the expenses for which you are responsible.

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