

Step 5

Spend on Care. Not on Coverage.

Health insurance isn't healthcare. Be sure to spend your money on care that will improve your health. Embrace preventive care to avoid expensive healthcare occurrences. Consider replacing your comprehensive insurance plan with hospitalization and catastrophic coverage (or a medical cost sharing plan). Insurance is to cover major medical issues - not allergies, the flu, and your annual physical.

This is where the rubber meets the road for many of us. We fear finding ourselves in the middle of a serious health issue without the means to get the treatment we need. That fear is real. It causes us to often over-insure or to live with a constant, low-grade anxiety. Many of us are more anxious about healthcare costs than we are about being sick. Money is the emotional trigger in healthcare. Our goals should be better health, lowest possible costs, and peace of mind. Remember, not all returns are immediate. Better health means lower costs over the long arc. You may or may not need to spend a little more now to save a lot later.

START BY REMINDING YOURSELF OF SOME IMPORTANT TRUTHS. THINK MINDSET.

- Health insurance is NOT healthcare. Healthcare can make and keep you well. Health insurance cannot.



- Health insurance companies are middlemen. Simply stated, you pay them and they pay your doctor. But their revenue model requires them to collect more money than it costs them to reimburse providers. Administrative costs are mind-boggling. Health insurance companies have overhead like any other business. And, many of the largest insurance companies are for-profit entities, meaning they exist to make a profit.
- Everyone who can access and afford it should have some major medical or catastrophic medical insurance at least. Everyone.
- Your personal circumstances, financial picture, health conditions, and health goals should drive your decisions. One size does not fit all. You are a consumer with options and choices.
- Realism and pragmatism are important. Being overly optimistic serves no purpose, but neither does medical paranoia nor an overactive fear of what could possibly happen.
- Math is involved. Math is more important than fear.
- The pathway toward aligning your health insurance (or the shedding of it) with your personal needs can be long and winding. It takes effort and, perhaps, a little time. Hang in there. Do the work.

- Things change. Insurance plans and offerings change. Other products – like medical cost sharing plans – come and go on the market. Different medical practice models emerge (like Direct Primary Care). Financial circumstances change. People age. Health conditions change and some conditions become chronic. What you decide is best for today doesn't mean you've decided for the rest of time. You can (and should) adjust periodically. Nothing is stopping you from that.

Conduct an assessment to better understand your needs and possibilities.

- How many times do you (and the people whose healthcare expenses you are responsible for) actually go to a doctor on an annual basis? And for what reasons?
- What chronic conditions are you managing? What do they cost you annually?
- What medications are an ongoing must?
- Do you need the amount of health insurance coverage you currently have and are paying for?
- What kind of options do you have available to you? (Examples include Bronze, Silver, Gold Exchange plans, medical cost sharing plans, or employer subsidized coverage options)
- Is it possible to lessen your coverage (perhaps major medical or catastrophic only) and do something else with the savings? Could you put the cost savings (or some portion of it) in a personal medical savings account to fund out of pocket medical expenses or to fund a Direct Primary Care or Concierge membership?
- How old are you? What does your family medical history reveal? If you have done genetic testing, what did the test reveal? Is genetic testing something you should consider? How faithful are you at monitoring your overall health? Do you have an annual physical? What does all that tell you about what you can realistically expect health-wise in the immediate or not too distant future?
- How willing, able, and disciplined are you to take preventive measures such as regular exercise and nutrition control?
- What about your primary care physician? (How did the assessment in **Step Three** come out?) Are you willing to make a change? Are there Direct Primary Care or Concierge membership practices in your area?

WHICH APPLIES TO YOU?

When thinking about how to spend on care rather than on coverage, remember that there is no “right answer” that can be universally applied. There is a “most reasonably right answer” for YOU. At least, for right now. The best advice may simply be to get in the habit of assessing your needs, understanding your options, and then making informed, consumer-centric decisions. Fair warning, it takes effort. Start where you are and go from there.

IF YOU ARE:

Covered by Medicare – It's probably best to change nothing at the moment. If you are a Medicare patient considering Direct Primary Care or Concierge practices (which we strongly encourage you to do), ask the practice how Medicare comes in to play. It varies from practice to practice. Stay informed on changes to Medicare. Things are always changing.

Covered by Employer Provided Health Insurance (Completely or Highly Subsidized) - If you pay nothing to very little for health insurance provided by your employer, it's probably best to change nothing at the moment. Simply make sure you understand your coverage relative to your health conditions and goals. You may still consider engaging Direct Primary Care or Concierge practices. More personalized, attentive care often results in better health overall. Ask them – and fully understand – how the money works.

Covered by Employer Provided Health Insurance (Not Highly Subsidized) – If you have an employer provided plan with a high deductible (high deductibles serve to make the plans more affordable) for which you pay a good chunk of your earnings, do some research (and some math!). With what you've learned from the needs and possibilities assessment, do you need this plan? Do you have options? Is it possible that a high deductible, catastrophic, or major medical plan (usually less expensive) will work for you and your family? Would being under the care of a Direct Primary Care physician – even with the monthly fee – make a difference? All things considered, would it make sense to opt out of your employer-provided health insurance and shop for something in the private sector? Are you able to purchase a plan to cover catastrophic occurrences while putting a little money aside each month to cover any out of pocket medical expenses? What is financially possible, provides the best chance of good health and well-being, and gives you peace of mind?

A SIDE NOTE ABOUT EMPLOYER-PROVIDED HEALTH INSURANCE

To be clear, your employer is not your enemy. But they are also not responsible for your health and healthcare. You are. Your employer is a business whose goal is to stay solvent, or to operate profitably. Health insurance is a quagmire for them as well. As a result, employers seek to offer the least amount of health insurance possible that will allow them to attract and retain employees at the lowest possible cost to the organization. Keep this in mind.

Medicaid Recipients – Qualifications and available funding varies by state. You will have to do some digging here. Are you eligible? Are your children? Will this funding help you achieve better health at lower cost? The Centers for Medicare and Medicaid Services (CMS) is the federal government agency that oversees Medicaid in conjunction with your state. Be ready for the bureaucracy.

Self-insured, Pay Your Own Way (Government) – If you are in this category, you are likely already aware of the Affordable Care Act / Obamacare and the HealthCare.gov website. We often hear the horror stories of people trying to interact with the site in order to purchase health insurance. But, the website is actually quite thorough and helpful. The enrollment period is when chaos breaks out and systems crash!

- Do your homework ahead of time. Don't wait until enrollment period. Take advantage of the resources there. Plan ahead.
- Do not automatically gravitate to the highest "metal level" you can afford. It very well may be that the Bronze Plan, all things considered, makes more sense for you than the Gold Plan even though you may be able to afford the Gold. Keep the results of your needs and possibilities assessment at the forefront of your decision-making.
- Remember that health insurance is NOT healthcare. What are you willing to do in order to improve and maintain the best health possible? What habits will you establish? Can a Direct Primary Care practice model help you? Likely so.

“Your employer is not responsible for your healthcare. You are.”

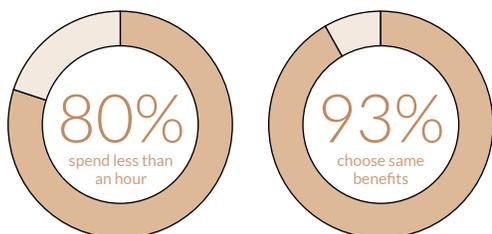
Self-insured, Pay Your Own Way (Cost Sharing Plans)

– While NOT health insurance, a medical cost sharing plan may be an option for you. Many, but not all, are faith-based. Members contribute monthly. The money collected from members is escrowed, managed, and dispersed when members access various medical or healthcare services. The popularity of these plans is on the rise and worthy of consideration. Do an internet search. Make some calls. Be a consumer.

Uninsured - Whether by choice or by necessity, being uninsured makes it all the more necessary to commit to better health. In every way possible, be preventive. It may be that health insurance is out of your reach (or that you opt NOT to reach for it) but a Direct Primary Care monthly fee is within reach. Good health is not dependent on health insurance.

TIPS FOR KICK STARTING *Your Spending Plan*

- Commit this year to preparing for your health insurance enrollment period well ahead of time. Do the research and know your options. An Open Enrollment Survey conducted by Aflac (2016 report) shows that 80% of employees spend less than one hour researching their plan options, with 57% spending less than 30 minutes. 93% of employees simply choose the same benefits year after year with little or no research. Commit this year to being an informed consumer.



- Start with an internet search using “tips for comparing health insurance options” or “tips for choosing the right health insurance plan” as the search terms. Have your plan documents in front of you and read them carefully. Make a list of questions you need to have answered. Access any available resources offered by your insurance company. Check their website. Call them. If you purchase health insurance through an employer, speak with the Human Resource person to see how she can help you prepare.
- Researching and understanding your plan options and coverage can be daunting. Be diligent, but don't be discouraged! Remember why you're doing this. "Pay for care, not coverage." Don't settle for the status quo. Challenge the norm. In your current stage of life - and at your current health - what coverage do you actually need?

Even if you don't make a change, we believe you'll find comfort in understanding more about your options.

SUMMARY CONSIDERATIONS

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