Rural Health News Service

Let's face it. Buying health insurance is not fun. It's hardly like shopping for a new computer. But if you make the wrong decision, it could cost you zillions of dollars and maybe even send you to bankruptcy court if you get really sick. So it pays to think carefully about the policy you can buy in the state shopping exchange if you're one of the thousands of Nebraskans eligible for exchange coverage—maybe even with a subsidy to help pay the premium.

Where to begin? Once the computer glitches with the exchanges are corrected—they will be—and you plow through the mechanics of setting up an e mail account, if you don't already have one, these are the key decisions you have to make.

Decision Point 1: How much coverage do you want? The answer may depend on how large a subsidy you're eligible for. After you enter basic information about income, the website will calculate how much of a subsidy you can get. A family of four with an income around $94,000 won't get much; family with an income about $24,000 will. The amount of the subsidy for the year is the same whether you buy an expensive policy, say a gold plan, which will cover 80 percent of your medical costs or a cheaper bronze plan that covers only 60 percent.

Decision Point 2: Do you qualify for special subsidies for people with low incomes—below $58,875 for a family of four this year? These will help pay some of the cost-sharing exchange policies require—things like the copayments, coinsurance, and deductibles.

But there's a catch. Individuals or families can get these subsidies only if they buy a silver plan that covers only 70 percent of the bills. Families will have to decide whether to buy a policy that's more comprehensive than the silver plan or the less comprehensive plan and get some help with the cost sharing.

Decision Point 3: If you do get a subsidy, how do you want it applied. The subsidy can be applied to each insurance payment which means you pay a smaller premium each month. Or you can collect it at tax time like a tax refund.

After you make these three decisions, you'll face the hardest decision of all. Unless you have a chronic illness, that's a tough calculation to make. Unforeseen accidents and illnesses happen. Your kid gets hurt playing football, or you need an emergency appendectomy. What you end up paying if things like this happen depends on the policy you select now.

Decision Point 4: Weighing risk versus coverage. Buying any insurance policy involves weighing risk against the price of protecting yourself from that risk. Usually the higher the premium, the more comprehensive the policy. A policy with a low premium carries much more financial risk if you get sick.

Decision Point 5: Weighing the cost sharing. Here's where it get tricky, and you'll have to make some trade-offs. How you make this decision depends on your tolerance for risk. If you think you won't get sick, then you might prefer a low premium and not worry about the high out-of-pocket costs you'll face when illness strikes. These include deductibles, copays, a set amount for a service, and coinsurance, a percent of the bill you must pay.

If you want financial peace of mind if you do get sick, then a high premium policy might be better.

Decision Point 6: Provider choice. We all say we want lots of choice in our medical care. But we may not get it. As a trade-off for lower premiums, many insurance companies selling in the state exchanges are limiting the networks of doctors and hospitals consumers can use. Some insurers' include only providers who agree to large discounts that in turn allow the insurers to offer low premiums.

See if doctors and hospitals you want to use are in the network that comes with the plan you choose. If you use a provider who is not in your network, you may get stuck with 40 or 50 percent of a bill. Typically insurers make you pay large amounts of coinsurance if you seek care out of network.

Finally, when you narrow your choice to two or three policies, ask for a document called Summary of Benefits and Coverage that allows a side-by-side comparison of deductibles,

coinsurance, and copayments and notes what services are not covered.

There are more catches here. Insurers don't have to offer you this document, but if you ask for it, they must provide it. And the disclosures don't have to include the premium. Shoppers will have to find that elsewhere.

The process I've just outlined may seem overwhelming, but like bad-tasting medicine, it will be good for you in the end.

Editor's note: The Rural Health News Service is funded by a grant from The Commonwealth Fund and distributed through the Nebraska Press Association Foundation, the Colorado Press Association and the South Dakota Newspaper Association.