



Paul Breslau

Take the Money, Not the Prize

To understand the rising cost of your health insurance, remember one of those contests where the winner runs through a grocery store for 15 minutes and keeps everything they put in their shopping cart. What

a joy to have unrestricted shopping and to have it paid for! For your health insurance, please stretch the 15 minutes to 40 years. Over this period, we have consumed medical care mostly paid for by others. Many of us have come to expect treatments, such as frequent doctor and chiropractor visits, multiple prescriptions over a period of years, emergency room visits, new bone joints and new internal organs, and phenomenal new x-ray and laboratory diagnosis, with much of the cost paid for by health insurance, managed care, Medicare or someone else.

While we collectively consume increasingly expensive medical care more frequently for longer periods, the health insurance premiums for individuals and families, as well as for employer groups and government programs, have skyrocketed. In the last few years, the premiums for many have become outrageous and prohibitive.

One idea for your health insurance is to turn the shopping contest upside down. Take the money and not the prize. Health Savings Accounts (HSA) and other consumer directed health insurance programs do this. In January 2004, the HSA rules were improved to allow pre-tax money to be rolled from year to year. According to Glenn Conover, CPA and senior tax partner at Epstein, Weber & Conover, "This

tax change can improve your finances with the amount depending on your tax bracket."

HSAs for individuals/families and for employer groups combine a federally qualified high deductible health insurance policy and a federally qualified pre-tax savings account. More and more insurance companies and banks are rolling out programs. Everyone's problem will not be fixed since the health insurance is underwritten for, both, individual/family and employer group coverage. Individual/family applicants can be denied coverage or have medical conditions excluded. Employer group applicants can receive significant rate increases based on the enrollee medical conditions.

Bob Johnson of John Alden Life Insurance Company advises, "Families can put up to \$5,150 per calendar year into their HSA. This, coupled with the premium savings an HSA can offer, will result in significant savings over the long run. Additionally, HSAs are attached to PPO networks to provide the same physician and hospital discounts to the consumer that the insurance companies enjoy."

Those shopping for employer group or individual/family health insurance coverage should consult with a licensed health insurance expert, who is active in the HSA market. You will be reminded to do so when you receive your next health insurance rate increase.

"Finally, we have a plan for the healthy people," says Kanna Reilly of LifeWise Health Insurance. "Many employer based programs can offer each employee a choice between HSA and traditional coverage."®

Paul Breslau, Registered Health Underwriter (RHU), Registered Employee Benefit Consultant (REBC), Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), is President of Breslau Insurance & Benefits. You may reach him by calling (602) 692-6832, visiting www.HealthQuoteAZ.com or e-mailing Paul@HealthQuoteAz.com.