



All You Need to Know About Health Insurance

Let's face it--in today's world, health insurance is a necessity. With medical expenses soaring higher than a hang glider, paying for them could have you digging deep into the pockets of your jeans.

What types of health insurance are available?

Health insurance plans generally fall into one of two categories: indemnity plans (also known as reimbursement plans) and managed care plans such as health maintenance organizations (HMOs), preferred provider organizations (PPOs), and point of service (POS) plans.

- An indemnity plan allows you to choose your own doctors and pays for your medical expenses--totally, in part, or up to a specified amount per day for a specified number of days.
- Managed care plans generally provide broader coverage, but they all involve an arrangement between the insurer and a selected network of health-care providers (doctors, hospitals, etc.). For example, an HMO will require that a primary care physician in the network coordinate all of your care and refer you to specialists in the network.

No matter which type of health insurance you buy, you'll need to make sure it offers the right kinds of coverage.

What should be covered?

A good health insurance policy contains several types of coverage.

Hospital expense insurance pays your room, board, and incidental services costs if you're hospitalized.

Surgical expense insurance covers surgeons' fees and related costs associated with surgery.

Physicians' expense insurance pays for visits to a doctor's office or for a doctor's hospital visits.

Major medical insurance offers extremely broad coverage with a very high maximum benefit that's designed to protect you against losses from catastrophic illness or injury.

What might be covered?

When comparing health insurance plans, check to see if they provide additional benefits that you may need, including:

- Prescription drugs
- Preventive care
- Mental health benefits
- Maternity care
- Vision care

What will it cost?

In addition to the monthly premium expense, you may have other out-of-pocket costs. These costs can really add up, especially if you have children or other family members who visit the doctor frequently. Check to see if the health insurance plan you're considering requires you to pay any or all of the following:

- Co-payment: The amount you'll have to pay each time you visit a health insurance provider (generally required by HMOs).
- Deductible: The amount you'll have to pay toward your medical expenses (usually annually) before the insurance company begins to pay claims (generally required by indemnity plans).
- Coinsurance: The percentage of your medical costs you'll have to pay after you reach any deductibles that apply.

Where can I get health insurance?

You may get health insurance through a group plan at work or through another group affiliation (a school, a club, etc.) or by purchasing an

individual plan on your own. By purchasing an individual plan on your own, you may even be able to customize the health plan. We Shop the Market to compare rates from several companies to find the best plan and rate to meet your needs.

How do I decide which plan is best?

The best health insurance plan for you is the one that gives you the greatest flexibility and the most benefits for the lowest cost. Unfortunately, there's no such thing as a standard health insurance plan. As you would when making any major purchase, we'll shop around and get several quotes before you choose a plan. Here are a few points to consider:

- What co-pays, deductibles, and coinsurance requirements apply?
- How much freedom do you have to choose your own health-care providers?
- Does the plan cover the health services that you need?
- Does the plan cover the health-care providers you're currently using?
- Does the plan offer family, as well as individual, coverage?
- Does the plan cover pre-existing conditions? If so, is there a waiting period? (The average waiting period is three months to one year.)
- Does the insurance company have a good reputation in the industry and a positive rating from a major ratings organization? (Contact your state's department of insurance for more information.)

Please note that this description/explanation is intended only as a guideline.

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