

How do I Control What I Can't Control?

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Today, healthcare is one of our nation’s most daunting challenges. As individuals, we can reach a better understanding of our current healthcare system by being actively engaged in the conversation.

Regardless of our political inclination, we can all agree that our healthcare system needs work. As a professional in this field, I am fortunate enough to be sought after for advice to help my clients find their way through the healthcare maze. I always do my best to disperse some of the false perceptions surrounding our system.

In today’s economic environment, cost consciousness has risen even higher than normal. Therefore, cost of healthcare seems to be the most prevalent issue surrounding the debate. There are several ways to better understand these costs and also to make better use of the offerings.

In trying to understand the maze that is our healthcare system, we must first educate ourselves and then take ownership of and responsibility for the choices we make. Take a look

at the breadth and wealth of providers and plans to figure out which suits you best. We must care enough about our own health to take control of our lifestyle and the care we receive. When choosing a healthcare plan, we need to be aware of benefits and what is covered. If needs change, we can always shift plan and coverage benefits to a lesser amount. Healthcare providers offer several viable options ranging from health savings to health reimbursement accounts and welfare benefit plans. They offer tremendous protection, an upside from the main offerings to which we have grown accustomed over the last decade. Many tax implications have been disseminated from the IRS in regards to these plans and they continue to be favorable and offer protection for future healthcare.

Sometimes, without a change in plan or coverage, healthcare costs seem to suddenly go up with no obvious explanation – believe it or not, as we get older and our health changes, plan rates may change accordingly.

Here are a few of the factors that can influence our insurance rates:

- » **Age** – this increase occurs annually for most all of us.
- » **Gender** – healthcare costs for women are more due to higher utilization.
- » Your **geographic area** – incorporates the local medical cost from hospitals and doctors into your premium.
- » If you are covered under an employer sponsored plan, the money paid in **claims** exceeds the premiums paid.
- » The insurance carrier’s **profitability** – if they lose money they pass it on to the consumer or go out of business.


Some other factors influencing healthcare rates could be the following:

- » **Inflation** in terms of health care has its own category which has dwarfed the broader inflationary index over the last 5 years.
- » **Utilization** by definition is where an insured is using more than the proportioned amount of their premium outlay. Over 50 percent of our population accounts for 97 percent of medical costs. This leaves us with the other 50 percent that only accounts for the 3 percent of the total U.S.A. consumption.
- » **Defensive medicine** has come about by fear of lawsuits and the emotional toll they take on physicians. Many tests and unnecessary pharmaceutical costs are often incurred just to be safe. Surely makes you wonder where the lobbyists for patient's rights are!
- » **Uninsured and under-insured** citizens have a tremendous impact on those who choose to pay for major medical coverage.
- » **Behavioral choices** are made on a daily basis and as technology and medicine have improved, our overall health and longevity have not. We must invest in ourselves and focus on being proactive versus reactive.

Take all this into consideration – try to process it and understand it. It will empower you in embracing the challenging healthcare system and making a change one family at a time! ■

Jason is a father, husband and business owner and advises businesses and clients every day on all of these issues. If you have questions, please email: benefits@j-freeman.com



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