Great expectations – do we expect too much from our health insurance coverage?

By James L. Leigh, Marketing Director, Western Mutual Insurance Company

What do you *expect* your health insurance coverage to do for you? Of course, most everyone would *expect* to be able to choose their doctors or health care providers who could meet their health care needs, and to have access to quality emergency services as necessary. And, most everyone would *expect* to receive personal, responsive service from courteous customer service personnel who could answer questions and process claims in a professional, timely manner. These are all very important *expectations*.

However, more specifically, what should we *expect* our health plans to cover and what should we *expect* to have to pay ourselves? For example, for a few hundred dollars each year you can purchase homeowners insurance to protect your financial investment in your home in the event of fire, theft, or for additional premium, earthquake. But, you wouldn't *expect* the insurance company to pay to finish the basement, re-model the kitchen, fix a worn out screen door or any number of other maintenance items that might arise, would you?

What about your auto insurance? For a few thousand dollars each year (multiple vehicles) you are protected in the event of collision, theft, and just in case someone sues you for damages which you may be liable. Nobody *expects* their insurance policy to pay for oil changes every 3,000 miles, new tires every 30,000 miles, or a new transmission after 100,000 miles, do they? Just try sending in your gas receipts each month to your insurance agent for reimbursement – no doubt you would hear laughter roaring from their agency for blocks and blocks.

Flashback to the beginning of major medical insurance; some people had it, some did not. But, for a few dollars each month you could protect your family from the risk of serious, catastrophic medical expense resulting from an *unexpected* illness or hospitalization. Most doctor visits, exams, and check-ups were affordable and did not break the personal budget. Protecting and defending one's own general health and well-being through good nutrition, regular exercise and common sense just made 'cents.' Nobody *expected* that every medical expense would or should be covered under their insurance plan otherwise the premiums would have been cost prohibitive.

Now, jump ahead to 2017. According to a recent report published in the journal Health Affairs (www.healthaffairs.org) health care spending is *expected* to double by 2017 at a rate of 6.7 percent annually. There are a number of reasons for this trend. But, no doubt efforts and legislation designed to expand covered benefits in health plans over the years must share some blame. For example, one recent bill in particular would have required all plans that include mental health benefits to include coverage of all conditions in a diagnostic manual, including such conditions as jet lag and caffeine addiction. Is it no wonder that because of our *great expectations* health insurance has become so expensive?

In light of these trends, there are still viable options that employers may turn to for solutions. High Deductible Health Plans (HDHP) that can be used in conjunction with Health Savings Accounts (HSA) can help employers afford to continue to offer valuable health benefits to their employees. HSAs allow employees to pay for current health expenses and save for future qualified medical

expenses on a tax-free basis. Plus, there are many other options for consideration and we would be happy to review them with you.

WMI is dedicated to providing WPMA members with quality products, information, service and value. For more information contact me at jamesleigh@westernmutualinsurance.com or at (801) 263-8000 ext. 109 or visit our website: **www.westernmutualinsurance.com**