

Health Plan Specialists Debunk Myth that HSA Plans are Just for the Healthy

Experts in choosing the better health insurance values for their clients prove with actual quotes for co-pay plans and HSA qualified health plans that a well priced HSA plan provides more than enough savings to provide better health care protection for less cost than traditional co-pay plans – for both the sick and the healthy

Newport, RI January 13, 2006 – The general public has been misled by so-called “experts” who warn of “risks” associated with high deductible health plans used with Health Savings Accounts (HSAs) – especially for the unhealthy.

For far too long people have been advised to choose a plan based on their current needs and that the best plan for someone with a chronic condition is one that will “cover” or pay for the on-going expenses for that condition.

“What the “experts” have failed to do is take into consideration the bottom-line cost for healthcare -- which includes the monthly premiums or cost of the insurance plus all the co-pays, deductibles, and out of pocket costs”, said Emily Harding, principal of Health Plan Specialists.

“Typically with even the most expensive “best” co-pay plan, the co-pays for prescriptions, office visits, and the emergency room are unlimited. They go on and on forever. There is no stop-loss protection like you have with an HSA plan. A \$50 co-pay for each of four non-preferred drugs adds up to an extra \$200. per month on top of a much more expensive premium for a co-pay plan. This adds to the bottom line cost of healthcare” Harding said.

On the other hand, a high deductible plan used with an HSA provides 100 percent coverage for all expenses including prescriptions once the out-of-pocket responsibility, (usually a deductible and sometimes an additional coinsurance amount) is met.

Taking a closer look, an article at the Health Plan Specialists website, www.healthplanspecialists.com, called “The Numbers Prove It! Health Savings Account (HSA) Plans Beat the Co-pay plans for Price, Protection and Value!”, compares a \$10 office visit co-pay plan available through a leading national health insurer to a family of four to an HSA plan from the same carrier with a \$4000 family deductible and 100% coverage for an identical family.

The \$10 co-pay plan costs \$1203.60 per month and the HSA plan with a \$4000 family deductible and 100 percent coverage after that costs \$766.42 per month. The gross annual premium savings alone is \$5246.16 – more than enough to fully fund the HSA account with \$1246.16 savings remaining.

The savings with the HSA plan doesn't even end there! Once tax savings are taken into account, after the maximum allowable contribution into the HSA account of \$4000 is made, the family saves \$1200 more in taxes at a 30 percent tax bracket. Interest earnings on the HSA deposits save the family even more.

The unhealthy family who meets their deductible every year, with this HSA plan still saves \$1246.16 every year in gross premium savings. Additionally they would realise \$1200 in tax savings every year. Interest earnings on the HSA deposits would add more savings for a total savings in excess of \$2446 per year.

An identical unhealthy family that chooses the \$10 co-pay plan starts out paying \$5246.16 more in premiums even before they receive any benefit and then they are responsible for unlimited co-pays on top of that.

“The truth is, contrary to past advice about HSA plans from “experts”, any detailed cost analysis will easily prove there are far more risks and less protection for a much greater cost with co-pay plans than with properly priced and selected HSA plan”— even for the sick.” said Harding.

Health Plan Specialists is an insurance agency in Newport, RI which provides small group and individual health insurance plans in Massachusetts, Rhode Island and Connecticut and strives to provide the best possible health insurance value to its clients using only top rated carriers and plans that provide the best access to hospitals and doctors nationwide.

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