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Getting cheaper health coverage

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<http://www.nydailynews.com/business/story/366336p-311892c.html>

Paul Zane Pilzer offers living proof that even economists can have trouble finding good health insurance.

In 1999, he lost his group coverage - just when his wife was pregnant and needed maternity medical care. He briefly looked for coverage in New York but ultimately got it in Utah, where the ex-New Yorker now lives.

His odyssey - and the differences he found in costs and accessibility of individual health plans in various states - prompted him to form a company to address the problem, initially for the self-employed.

He's since authored the book, "The New Health Insurance Solution How to Get Cheaper, Better Coverage Without a Traditional Employer Plan."

And now, he's among those championing a Congressional bill, the Health Care Choice Act, which would allow individual health insurance to be sold across state lines.

Pilzer believes it could be a boon for New Yorkers. A broader market could "give New Yorkers access to individual health plans that are between 25% and 50% of the costs they now pay, and get them better coverage," he holds.

And perhaps more people on employment-based plans - the majority of Americans - might prefer individual coverage.

But if the bill passes, opponents worry that older and sicker people could be among those short-changed.

In essence, the Health Care Choice Act of 2005 - introduced by Rep. John Shadegg (R-Ariz.) in the House and Sen. Jim DeMint (R-S. Car.) in the Senate - would let insurers licensed in one state sell an individual health policy approved and sold in that primary state to people in any state.

Today, individuals can purchase only those health plans approved in their state from insurers licensed in that state.

And in New York, these plans are comparatively pricey, data show. According to the trade group, America's Health Insurance Plans, annual premiums of individual plans for single coverage in 2004 averaged \$3,743 in New York, and an even higher \$6,048 in New Jersey - well above the \$2,268 national average.

In New York, premiums on family coverage averaged \$9,696 last year, which was more than double the national average.

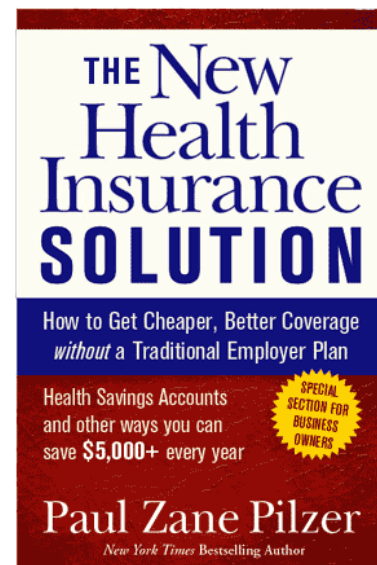
Would individuals like being able to buy insurance out-of-state? The Council for Affordable Health Insurance believes so. In its 2004 survey, 72% of those polled support allowing people in one state to purchase health insurance out-of-state, if the insurance is state-regulated and approved. And 82% said they would likely purchase a policy across state lines if they needed more affordable coverage.

But the proposal, which has passed the House Energy and Commerce Committee, has opponents worried about consumer protections.

"The New York State Insurance Department is concerned that the federal 2005 Health Care Choice Act could undo the gains New York has made in protecting consumers," a spokesman for the department said. "If the measure were enacted in its current form" New Yorkers buying policies from out-of-state insurers might not get "the minimum level of benefits provided under (New York) state law."

Moreover, the proposal "would allow out-of-state insurers to circumvent New York's community rating and open enrollment laws, which provide broad access to coverage for all New Yorkers," he said.

"The two things that concern us the most," said Kathleen Stoll, health policy director at Families USA: "An insurer might become insolvent, sticking the



policyholder with his own medical costs. Or, older and sicker people wouldn't get this insurance. At best, they'd pay very high prices for inadequate coverage - which laws in some states now protect against."

You can track the fate of the Shadegg bill by going to the Web site <http://thomas.loc.gov>. After reaching the page, plug in the bill identification, either HR2355 for the House version or S1015 for the Senate bill. The bills can also be tracked in the issues section of www.cahi.org.

A 'right' plan

Whatever the changes in Washington, people seeking individual health coverage have things they can do now to save money and/or find the right plan:



Mark Maziarz

Paul Zane Pilzer

Suggestions from author Paul Zane Pilzer:

When shopping for a plan, use an agent who represents a variety of individual policy carriers in the state.

Before selecting a plan, find out which insurance plans your favorite doctors accept.

When buying coverage, negotiate with the insurer on any premium hikes it wants to charge you based on your pre-existing medical conditions.

If you're employed and your company charges you to include family members on your employer-sponsored plan, consider moving healthy family members to an individual insurance plan, which could save you a lot of money.

If you're self-employed, remember that you get a 100% tax deduction for your health insurance premium up to the amount of your self-employed income.

If you have an employer, ask if he is willing to reimburse you tax-free for the premium on your individual family policy if you don't participate in your company's plan.

Advice from Matt Coffin, president and founder of LowerMyBills.com:

Check to see if you qualify for state or federal insurance programs if you are uninsured, disabled or have a low income.

Log on to Web sites such as www.LowerMyBills.com to review various plans and coverage levels on the Internet.