

**Health Insurance Premiums Making You Sick?  
Seven Ways to Lower Your  
Group Health Premiums FAST!**



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# Health Insurance Premiums Making You Sick?

## Seven Ways to Lower Your Group Health Premiums FAST!

Here are seven ways to quickly lower your group health insurance premiums...

**1). Choose a split office visit co-pay.** When available, this option allows you to choose separate deductibles for general practice and specialist office visit co-pays. For example, with a split co-pay, a pediatrician visit could be \$25, while a co-pay for a cardiologist visit may be \$40.

**2). If you have a current deductible below \$2500, consider raising it.** Premiums are certain, claims are not. Policies today are priced to favor higher out-of-pocket costs in general. While this may be an uncomfortable trend – it is even more uncomfortable to be on the wrong side of the trend. For example, \$200 and \$500 deductible plans are becoming less and less common due to the premium trade off. If you have a low deductible plan, you may be costing yourself more in premium than it's really worth.

**3). Raise coinsurance limits.** A plan with an 80/20% coinsurance limit to \$5000, may be able to be changed to an 80/20% to \$7500, or an 80/20% to \$10,000. If your carrier doesn't offer thresholds this high, another option is to change the percentage. For example, changing the 80/20% coinsurance percentage to 60/40%.

**4). Raise drug card co-pays.** For years one of the fastest growing components in health care costs has been the cost of providing prescription drugs. Consider raising your drug card co-pays to – \$15 (generic), \$35 (brand name – formulary), and \$60 (non-formulary), or higher. Keeping drugs covered inside your health plan should enable you to benefit from insurer negotiated discounts. Raising drug co-pays is an effective way to achieve some premium savings.

**5). Make your plan contributory and install a Section 125 Pre-Tax Premium Only Plan.** Some companies still pay 100% of their employees healthcare premiums. Consider having employees to pay at least a 10 to 20% contribution at a minimum. Most carriers won't allow you to cost share with employees more than 50% of premiums, and even if they did – employees would tend to opt out and damage your group's participation percentages. Allow employees to make premium contributions via a Section 125 Premium Only, or "POP Plan." POP Plans are inexpensive and relatively easy to install. They also help make premiums more affordable to employees.

**6). Appeal your rate increase at renewal.** This option is too often overlooked by employers and agents alike! At your plan renewal, many group insurance companies will allow you to negotiate a lower renewal rate – all you have to do is ask! Further, shopping for other more competitive rates may reveal the possibility of savings, but you may loathe the hassle of switching insurers. If this happens, appeal to your current insurer! If you've been offered a plan at a better rate, some companies will try to match or come close to your new offer in order to save the account. It doesn't always work – particularly if your loss ratio is high (loss ratio = claims divided by premiums). But, it is certainly worth a try!

**7). If you decide to apply or prescreen for new coverage, apply using online applications.** Preliminary rates (rates with no medical history considered) will tell you if you have any chance of saving premium by switching carriers. However, preliminary rates won't tell you which carrier will be the most competitive after reviewing medical histories. By applying or "prescreening" online, you can get prescreened rates from many carriers at once. To the degree that this increased ease of inquiry leads you to prescreen with more carriers, it will increase your odds of finding a carrier that might actually save you some money. Further, at future renewals, current employees need only update their online applications with new information. Thereby, making future renewals easier to administrate.

**We are a local agency with 20+ years experience in small group health insurance.**

**If you are unhappy with your current rates, please consider our recommendations for potentially saving you money on your group health insurance! Visit our website, print out, complete and return a preliminary quote request form. Thanks!**



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