

Key questions during open enrollment

YOUR FINANCE

NerdWallet

Open enrollment is no one's idea of a good time, but health coverage is a crucial part of your financial health. Whether you're getting insurance through an employer or the Affordable Care Act marketplace, it's important to ask the right questions before you choose a health plan for 2024.

"Open enrollment is a great time to do a personal health audit," says certified public accountant Charlene Rhinehart, a personal finance editor at drug savings site GoodRx. "Understanding your current and anticipated health care needs will help you decide which plan is the best fit." Here's how to weigh your options.

Are your doctors in network?

Plan networks change from year to year. If you love your doctor or specialist, make sure they're still in the network of the plan you're considering for 2024.

You should also consider whether you want the option to go out of the network — which you can usually do in a preferred provider organization, or PPO, plan, although it will cost more. Health maintenance organizations, or HMOs, tend to be cheaper but lack the out-of-network flexibility.

Are your medications covered?

If you're on prescription medications, check plan formularies to make sure you understand how your drugs will be covered in 2024. Drug coverage can change from year to year, even if you stick with the same plan. Every plan has set costs, like the monthly premiums, plus the costs of care, which include the deductible and any copays and coinsurance. Comparing plans means estimating how much health care you'll use next year.

On the one hand, you have the costs you'd pay if you don't use the plan much beyond preventive care. On the other hand, you have the maximum amount you could pay in each plan if you're a heavy health care user. You can easily compare these situations.

There's a squishy middle ground, however, where the best plan for you depends on the amount and type of care you'll need next year.

"The tricky part is we never really know how much we're going to spend in



Consider whether a high-deductible plan would work for you, your family in 2024.

a given year if we're in the middle," says Adam Rosenfeld, a health care benefits expert and president of employee benefits company Rubicon Benefits. The best thing, he says, is to look at your current claims information and imagine that the next year will be identical. On which plan would you be better off?

Is a high-deductible plan right?

A high-deductible health plan, or HDHP, in 2024 is defined as a plan with a deductible of at least \$1,600 for individual coverage or \$3,200 for family coverage, with out-of-pocket maximums of no more than \$8,050 or \$16,100, respectively. HDHPs usually have lower premiums, and sometimes companies kick in a contribution to a health savings account, or HSA, to help cover the deductible.

An HDHP can be an appropriate plan for people in a variety of health situations, as long as they're prepared to pay the deductible if they need health care.

"The question is, 'Can you afford it?'" says Adria Gross, an insurance broker, consultant and founder of MedWise Insurance Advocacy, which helps clients and attorneys with medical claims issues. If you're healthy, Gross says, go for the HDHP. But in the case of a bad accident, you'll want to make sure you have the means to pay the full deductible.

Do you have special care needs?

Some insurance plans cover things like weight-loss surgery or infertility treatments — but some don't, and the exclusion can make a huge difference if it's a procedure you're considering. You might find that one insurance company covers a certain surgery or test while another views it as investigational and not medically necessary.

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