

Five Steps to Picking a New Health Plan

By Tammy Flanagan

November 22, 2013

Once again, open season for the Federal Employees Health Benefits Program is under way. That means active employees and retirees are all choosing the best health plan for them for 2014. Or are they?

Open season can be overwhelming. Many people seem to think it's easier just to keep their current coverage and maybe put some money in a flexible spending account. It's true that all of the federal health plans are very good and you really can't make too much of a mistake regardless of your choice. But there are ways to save some serious money if you take the time to compare your options in FEHBP health plans, Federal Employees Dental and Vision Insurance Plans and FSA plans.

The Office of Personnel Management has run the gigantic open season effort every year since 1960, and has a wealth of resources available to help make the choices more clear and to guide you in your decision-making process. But how do you begin?

I recently received an email from a federal employee who pays attention to his benefits. When he doesn't understand something, he asks about it. He let me know he tried to compare health plans, but hit a snag:

Bottom line, if you really want to know the costs in order to compare plans, it is a time-consuming process. I currently have Blue Cross/Blue Shield Basic and I wanted to compare it to GEHA Standard. General information, such as bi-weekly premium, deductibles and catastrophic limits is readily available and easy to compare. [The problem is] when you start comparing specific items, such as prescription drugs, exams, diagnostic testing, etc., and one plan says you pay a certain dollar amount and the other says you pay a certain percentage of the plan allowance. I called GEHA and asked what the plan allowance was for an x-ray and they said it depended on the type of x-ray and what the contract allowed. I got similar responses from GEHA for plan allowance for dental exams, CT scans, etc. So I had no dollar amount from GEHA to compare to BC/BS.

Despite such obstacles, it is possible to make some general comparisons between health plan options. Below are a few of the tips I've used and recommended over the years to help choose the best coverage for you and your family next year. Step by step, I think you can get this done in less than two hours. Let me know how you did -- I'll applaud you even if you only make it through steps one and two.

Step One

First, consider your current coverage. How much were your premiums this year? Also, what were some of your out-of-pocket costs? It helps to keep a medical folder to track this information. As you evaluate your costs, consider:

Did you meet your deductible (if you have one) and how much was it?

How many prescriptions do you fill each month?

Do you have any new medical conditions that will require attention in 2014?

Do you see a specialist or incur the expense of any kind of ongoing therapy (physical, mental health, occupational, etc.)?

How does your current health plan cover dental and vision care expenses?

Are you covering dependent children?

Are you married to a federal employee? If so, have you considered two self-only plans if you don't cover dependent children?

Are you covered under any other health plan, such as Tricare, Medicare or a spouse's non-federal plan?

Finally, ask yourself: What do you like and dislike about your current health plan?

Step Two

Look at your current plan's 2014 brochure. You can [find it here](#). What will your current plan charge you next year? Be sure to consider:

Premiums

Deductibles, copayments and coinsurance

Coverage

Step Three

What type of health coverage do you have?

Fee-for-service plan with a preferred provider organization

Health maintenance organization

Consumer-driven health plan

High deductible health plan

Confused? [Here's how to tell them apart](#).

Consider the strengths and weaknesses of each type of coverage and decide if you might want to explore a new type of health plan. If you don't understand how they differ, it's important to take the time to learn more. An unfamiliar plan could provide the best coverage for you.

Step Four

Use some of the tools available to help you select a plan. I suggest doing a cursory review of all of the tools so you can become more familiar with your choices. Here are the options:

Side by Side Plan Comparison: This allows you to find plans by zip code, plan name or plan code. You can stack up to four plans side by side to compare premiums, deductibles, prescription coverage, catastrophic coverage limits, copayments and coinsurance for in-network and out-of-network services.

PlanSmartChoice Comparison Tool: This also provides side-by-side comparisons, but also can help you narrow your choices based on your answers to a series of questions. The tool can be used for health plans and supplemental vision and dental plans.

Consumers' Checkbook Guide to Health Plans for Federal Employees and Annuitants This is a comprehensive guide to plans and also a comparison tool. Some agencies cover the costs of access to the guide for their employees, but for a small fee anyone can access the online version or order a copy of the print edition. The guide includes ratings for all FEHBP plans, along with dental and vision plans.

Federal Employees Dental and Vision Insurance Program Comparison Tool: This tool is used for comparing the FEDVIP plans available in your zip code. It's new this open season and provides a clear comparison of the costs and features of each plan.

Step Five

Select the plan you think is best for you and your family for 2014. Then compile a list of questions to help you understand all of the plan's benefits. Contact the plan if you can't find the answers in its brochure.

You may be able to enroll online using [Employee Express](#). If you're a retiree, former spouse or survivor annuitant, your open season changes [can be made online](#).

For more information:

Check out my [most recent index](#) for additional columns that I've written about federal insurance choices.

View a [webinar](#) I presented in connection with the Federal Long Term Care Insurance Program on open season.

Listen to one of the recent open season episodes of the National Institute of Transition Planning's radio program, [For Your Benefit](#).

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<http://www.govexec.com/pay-benefits/retirement-planning/2013/11/five-steps-picking-new-health-plan/74294/>