

How to save money on health insurance

By Sylvia Bittner

If you're looking to save money on your health insurance premiums, you're not alone. Health care costs are at an all-time high, and are continuing to rise – which in turn increases your health insurance premiums. So how can you save money on health insurance when health care costs go up?

Increase your deductible

If you want to lower your premium, consider raising your deductible, which is the amount you pay out-of-pocket before the plan begins paying for health care expenses. You might also raise your copays or coinsurance, which is the amount you pay out-of-pocket at doctor visits and hospital stays after your deductible has been met. Generally speaking, the lower your deductible and copays, the higher your premiums will be; the higher your deductible and copays, the lower your premiums will be.

Remember to “network”

You'll pay less out-of-pocket by using health care providers who participate with the health insurance plan you choose. If you go outside the network for services, you'll often pay higher deductibles and copays and you may lose benefits altogether.

Join an association

Many associations, such as Farm Bureau, offer health insurance plans as a member benefit. Often you can get better premium rates or better benefits by purchasing insurance through an association. In addition, many associations offer discounts on other health related services like eyeglasses, prescriptions and dental insurance.

Open a Health Savings Account for triple tax advantages

Another way to save money is by purchasing a qualifying high-deductible health plan and opening a tax-advantaged Health Savings Account or HSA. A Health Savings Account is made up of two parts: a high-deductible health plan and a Health Savings Account, which is like a medical IRA or 401K. With an HSA, you have more control over how your health care dollars are spent, you'll save money on health insurance premiums, and you'll be eligible for significant savings on your taxes. An HSA will help you:

- Save money on health insurance premiums. By switching from a low-deductible health plan to an HSA-qualified high-deductible health plan, you'll cut the cost of your health plan substantially. You can then deposit the savings gained – up to the annual maximum amount determined by the IRS – into a Health Savings Account you set up with a bank.
- Save money on your income taxes. Deposits made to your HSA are 100% tax deductible. Interest that accrues on the money in the account is tax-deferred.
- Save money tax-free for health expenses. Withdrawals from your HSA that are used to pay for qualified medical expenses are always tax-free.
- Save money tax-deferred for retirement. Whatever money you don't use in your HSA rolls over from year to year. Any money left in your HSA when you turn age 65 is yours to use for any purpose. You'll just pay normal income tax on the money you withdraw for non-medical expenses. Withdrawals for qualified medical expenses are never taxed.

Sylvia Bittner is the Health Services Coordinator for Michigan Farm Bureau. Michigan Farm Bureau is a membership based association and the largest general farming organization in Michigan. For over 65 years, Michigan Farm Bureau has partnered with Blue Cross® Blue Shield® of Michigan to offer unique health insurance plans specifically for our members. For more information about Farm Bureau's health insurance plans and other member benefits, contact your local Farm Bureau Insurance agent or call 1-888-294-4335.