



KNOW YOUR EMPLOYEE BENEFITS



Benefit and insurance issues important to you—brought to you by the insurance specialists at Conner Strong.

How to be a Wise Health Care Consumer

Health Care Costs Series, 1st Edition

The way we purchase health care is unlike most other purchases we make. Many Americans will pore through a newspaper for a coupon that saves them fifty cents at the local supermarket. However, when it comes to health care—a far more complex and expensive service—we rarely ask questions or consider all the options that could save us time and money.

This edition of the *Know Your Employee Benefits, Health Care Costs* series shares ways that you can become a better-informed health care consumer, and in turn save money for you and your employer.

Health Care Costs & Your Employer

Health care costs, and consequently health insurance premiums, are rising at an alarming rate. While this is not a new phenomenon, the extremity of recent increases is cause for concern for both employers and employees.

For most of the 1990s, employers' average health plan premium increases hovered around 2% per year. However, since the year 2000, premiums have increased dramatically. In many cases, employers were annually faced with double-digit premium hikes.

Unfortunately, it is likely that your employer will continue to receive

annual premium increases of 5 to 10% or more for the next several years. You can expect some of these costs to be passed on to you, in the form of larger contributions being deducted from your paychecks, or in the form of higher deductibles, coinsurance amounts, or co-payments.

Making conscientious health care decisions is vital to keeping your employer's health care costs down, as well as the costs that are passed on to you. The more knowledge you have about your personal health, and the treatments you are receiving, the more you can control your out-of-pocket costs as well.

Ask Your Doctor Questions

Amazingly, many patients do not ask their doctor basic questions. How much will my treatment cost? Can I be treated another way that is equally effective but less costly? What are the risks? What are the side effects?

Patients often blindly accept their doctors' advice without truly understanding what treatment alternatives are available, and what—if any—differences there are in cost and effectiveness among those alternatives. Many health plans still allow for great freedom in your choice of physicians. If you have such a plan, your doctor has little incentive to find the perfect

balance between treatment-effectiveness and cost-effectiveness. That is, unless you ask.

Having a dialogue with your physician can help you better understand how his or her care decisions affect your health plan costs. It will also help your doctor get to know you better, and consequently prescribe treatment that is more effective.

Make Careful Decisions About Prescription Drugs

Many people incorrectly think that there is a difference between generic and brand name prescription drugs. The truth is, a generic drug is the same as a brand name drug, with few exceptions.

The difference between generic and brand name medications lies in the name of the drug and the cost. Generic drugs cost much less than brand name drugs, save you and your employer money, and provide the same health benefits as brand name drugs.

The next time your doctor writes you a prescription, ask if a generic equivalent is available. Your physician can instruct your pharmacist to use a generic substitute.

In addition to generic drugs being less expensive than brand name drugs, you should also know that

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in most cases less expensive and more effective alternatives to some well-known drugs exist. Because of a surge in direct-to-consumer marketing of prescription drugs, patients have become more familiar with certain drugs and often believe that these high profile, high cost drugs are automatically the best option for treating their condition.

For example, if you are diagnosed with high cholesterol, you may ask your doctor to prescribe Zocor—a highly recognized drug because of aggressive consumer marketing—rather than asking your doctor to discuss all of the prescription options available to you. Conversely, a doctor may assume you would prefer Zocor, and unless you initiate a discussion about your other options, you may have lost an opportunity to have a treatment that is both less expensive and more effective.

Seek Outpatient Rather than Inpatient Care

Outpatient care is often a much better alternative to inpatient care, for a variety of reasons. It can provide the same level of quality treatment as inpatient care, and is less costly.

If you need to have surgery, ask your doctor if laboratory tests can be done in a clinic rather than a hospital. Moreover, in many cases, the surgery itself can be performed in a clinic or outpatient surgical facility, often resulting in a better outcome for you. Outpatient surgical facilities give you the ability to recover in the comfort of your home, instead of in a hospital.

For more information on how to become a wise health care consumer, and help you and your employer save money, look for the next edition of the Know Your Employee Benefits, Health Care Costs brochure series.

This brochure is for informational purposes only and is not intended to replace the advice of insurance professional.