

Health Insurance Coverage Plan

Contributed by Administrator
Tuesday, 20 November 2007

If you wish to apply for health insurance, it is essential to be aware of the health insurance coverage, the benefits and exclaims. According to the United States Census bureau, about 84% of Americans have health insurance.

Health insurance coverage predominantly has two components namely employment based and individual based. Employment based health insurance can be small employment or large employment groups.

The plans and coverage options differs from state to state depending upon their policy. For people who have lost their previous group insurance coverage, COBRA would be the right option for you. COBRA or Consolidate Omnibus Budget Reconciliation Act of 1985 enables a person to continue the previous insurance coverage into individual health coverage. This act has been mandated by the HIPAA or Health Insurance Portability and Accountability Act of 1996.

The other coverage options are HMOs and PPOs. Health Maintenance Organizations comprises of hospitals, doctors, clinics and other health care providers from whom the service has to be taken whereas PPO or Preferred Provider Organization has a flexibility to certain extent regarding the medical service that you can choose.

Medicare is the health insurance coverage for the elderly and the people suffering from nephrologic end stage diseases. The expansion of benefits under the Medicare program is done by Medicare advantage plans which resulted as a consequence of Balanced Budget Act of 1997. Medicaid is a health insurance program for the poor which is functioning from 1972 to till date.

The department of veteran affairs provides health care services for senior citizens under the Veteran Health Administration. Employer based health insurance coverage is most popular in the private sector of health insurance coverage. These are based on the idea that the employers bear the insurance charges on behalf of their employees. The coverage is broadly classified as Indemnity (Traditional) and preferred provider (managed provider). A study shows that the employer based health insurance is availed for only 59% in small employer group compared to the 99% of the large employer group.

There are also health insurance coverage plans called the CDHC (Consumer Driven Health Care) which enables the individuals to have HSAs (Health Savings Accounts), HRAs (Health Reimbursement Arrangements), Flexible spending account (FSA), and HDHP (High Deductible Health Plan) or MSA (Medical Savings Account). If you feel that taking a medical insurance is more expensive than what you spend, then health insurance coverage won't suit you.