

# How to Choose the Right Health Plan

## On the Exchange as a Patient with COPD

Chris is a 55-year-old living with chronic obstructive pulmonary disease (COPD). Since COPD usually worsens over time, finding the right health plan is essential. Chris is shopping for a plan through the health insurance exchange. Thanks to the Inflation Reduction Act, passed in August 2022, Chris is able to take advantage of lower plan costs.



Chris has 2-3 COPD episodes per year.



Primary Care Provider

Specialist

Chris will need to see multiple providers throughout the year...



...and will have a 3 day hospital stay in the middle of the year.

Chris takes these medications to control his COPD



Statin

Aspirin

Beta Blocker

2 COPD-Specific Inhalers

Nitroglycerine

Bronchodilator

After hospitalization, Chris also takes



Antibiotic

Prednisone

## Scenario

Chris' annual income is \$32,000. Legislation passed in March 2021 and August 2022 increased premium subsidies at all income levels, making Chris' coverage options more affordable.

To manage his COPD, Chris has many medications, diagnostic tests and office visits throughout the year. These needs will impact which plan option is best for him. Chris compares plans based on his income level, cost of premiums and out-of-pocket costs.

Premiums are paid each month to be enrolled in a health insurance plan. Deductibles are paid for covered services before the plan begins to pay. The maximum out-of-pocket limit is the cap on out-of-pocket costs paid by the patient for covered services in one year. Chris has a lot to consider!

Coverage options are more affordable because of cost sharing reductions subsidies and premium tax credits based on income levels.

Even if Chris's income is higher, he is still eligible for savings. For example, if Chris earned \$57,960, he would still be eligible for \$4,457 in tax savings and should check [healthcare.gov](https://www.healthcare.gov) before selecting a plan. The illustration below reflects potential savings.



**It is important to note the yearly costs across different plan levels (bronze, silver, gold) as spending for prescription drugs and services will vary.**

The three metal tiers are based on how patients and the plan split the costs of healthcare. Chris's annual income level of \$32,000 provides him with three options that will save him money. How should Chris choose?

Gold plans typically have higher monthly premiums compare to other plans, but cost sharing and deductibles are lower. Selecting a gold plan will also mean that Chris does not have to spend a lot of money upfront, like he would under a high deductible bronze plan. In this case, the gold plan included lower costs for prescription drugs and office visits, keeping the overall monthly and annual costs lower. Chris should choose the gold option.

	Bronze	Silver	Gold
Yearly Premium	\$0	\$1,280	\$2,118
Deductible	\$7,200	\$2,000	\$1,000
Maximum Out-Of-Pocket	\$8,700	\$6,950	\$8,700
Total Yearly Out-Of-Pocket Spending	\$8,700	\$6,950	\$4,232
Total Yearly Spending (including premiums)	<b>\$8,700</b>	<b>\$8,230</b>	<b>\$6,350</b>



## Bottom Line

When selecting a health plan, do not shop solely based on premiums. Thanks to the Inflation Reduction Act, additional financial assistance is available. Consider factors that can affect total yearly out-of-pocket costs, such as deductibles, copays and coinsurance amounts, whether doctors are in-network and coverage for medications and office visits.