Many baby-boomers are facing the prospect of retirement. For some in this age bracket a lifetime of hard work will add up to a good pension and ongoing benefits after they leave the daily grind. But for others, including those whose employers have converted their retirement benefits, the prospects are more precarious.

In conjunction with the National Association of Insurance Commissioners, I want to offer these tips for those who are considering early retirement or who are already exploring their retirement health insurance options.

As you age, health care becomes an even more important commodity, but unless you have a good employer plan health insurance can be harder and more expensive to obtain prior to reaching Medicare eligibility at age 65. If your employer is not offering to extend health insurance coverage beyond your retirement date, here are some options for finding continuing coverage.

Where to Look

**Spouse’s Policy:** If your spouse is still employed with access to benefits, see if you can be added to that policy. While your spouse may have to pay more for the coverage, this is likely your most affordable option. Your spouse should speak with the benefits administrator or Human Resources department at work to see if it is possible to add a newly retired spouse to their existing insurance.

**COBRA:** The Consolidated Omnibus Budget Reconciliation Act lets former employees and their dependants continue workplace-based coverage for up to 18 months. While your employer cannot refuse coverage through COBRA, it is unlikely that they will continue to subsidize your premiums if you no longer work there. Former employers may also charge you an administrative fee for staying on the company insurance.
Military: If you are a retired veteran, you may be eligible to join the Defense Department’s Tricare plan. Read more about who is eligible for Tricare and the coverage offered at www.tricare.mil.

Individual Coverage: These plans can be expensive, particularly if you are on medications or have a chronic health condition. In some cases, preexisting conditions may make it difficult to find coverage. Starting in 2014, however, insurers will no longer be allowed to deny coverage based on your health status. Shopping for an individual policy can be challenging. Be sure to compare policies carefully and ask questions about what benefits are included. Make sure you understand your deductibles and coinsurance requirements and ask about prescription drug coverage. Also, the agent or broker as well as the insurance company writing the policy must be licensed here in Oklahoma. Call our Consumer Assistance Division at (800) 522-0071 or visit the Oklahoma Insurance Department online at www.oid.ok.gov to confirm the agent’s and company’s licensing statuses before buying.

High-Risk Pool Plans: These policies were created to help adults with preexisting conditions find individual coverage. Oklahoma’s high-risk pool is managed by Blue Cross and Blue Shield. To see if you are eligible, visit www.bcbsok.com/ohrp or call toll-free (877) 885-3717.

High-Deductible Health Plans: These policies only cover catastrophic health care costs. This means you will be responsible for paying much more of the upfront costs of your health care before the policy pays any benefits for eligible medical expenses. HDHPs have a lower premium to compensate for the higher out-of-pocket costs incurred due to these high deductibles. Often these types of plans work with a Health Savings Account that allows you to set aside funds for future qualified medical expenses. If you are considering an HDHP, be sure to read the policy form, paying careful attention to the benefits and limitations of the plan.

What to Consider

Coverages: Be sure you understand the terms and coverages of any policy you are considering. The lowest premium option might not provide the coverage you need. Ask these questions:

- What are the deductibles or coinsurance payments?
- What are the limits on coverage?
- Can I see my current doctor and seek treatment in my chosen hospital?
- Is there an annual limit to what the insurance company will pay for any particular coverage?
- Is there a cap on out-of-pocket amounts I will be expected to pay?
- How often is this policy reviewed or how often can I expect premium changes?
- Are prescription drugs covered?

Vision, Hearing and Dental: In most cases, vision, hearing and dental coverage is not included in individual health insurance policies. Ask if these coverages are included in the policy you’re considering, or if it is possible to add such coverage.

Discount Health Plans
Discount health plans are not insurance products. These discount programs do not pay claims, have limited regulation and do not offer the same consumer protections. Marketing for discount health plans can make them sound similar to health insurance, so it can be difficult for some consumers to distinguish one from the other. If an offer seems too good to be true, it probably is.

To protect yourself and your health care investment, it is a good idea to stop and call the Oklahoma Insurance Department at (800) 522-0071 before purchasing any type of insurance policy. Our Consumer Assistance team will help you confirm the credentials of the agents and companies with whom you are considering doing business, and understand the plans and the options you’ve been presented.