**How to save money on health insurance without risking your health**

By Molly Castelazo for MoneySolution.com

With rapidly rising healthcare costs, health insurance is even more critical today than a decade ago. Health insurance premiums may make up a startlingly large percentage of your monthly budget, but – as with all insurance – going without is a very risky gamble.

While health insurance premiums can run anywhere from $50 or less to more than $500 a month, depending on whether your employer pays part of the cost and the kind of plan you have, the cost of an emergency visit alone can be $500 or more, and the cost of even the simplest surgery can run into the $1000's.

Whatever your situation, there are a number of ways you can save on your monthly health insurance premiums without skimping on your health protection.

First, it's important to understand the different kinds of health insurance plans available, as each has different advantages, disadvantages, and costs.

Next, there are a couple of savings plans that can help you save money on your health insurance costs. They are the flexible spending account (also called a medical savings account) and the health savings account.

Finally, shopping around can save you a bundle.

Read on. . . (Or, to go ahead and shop a variety of health insurance providers and plans, click here).

**The different types of health insurance plans**

Generally, there are four types of health insurance providers: HMO, POS, PPO, and indemnity.

*HMO*

HMOs, or health maintenance organizations, offer the least expensive, least flexible health insurance plans. In an HMO, your entry point into the health insurance system is your primary care physician (PCP), through whom you must go if you need to see any other doctor in the network. You are only covered to see doctors within the HMO network.

*POS*

POS, or point of service, plans, are just a step above HMOs. They also require that you go through a primary care physician, but you are covered (at a lower level of coverage) to see doctors outside the POS network. Within the POS plan, if you choose to see an out-of-network doctor, you'll pay a higher co-insurance amount. Under the POS plan, you may have to meet a deductible (usually $500 or $1000) before the insurance company will kick in coverage.

*PPO*

The PPO, or preferred provider organization, plan is much like the POS plan except that you do not have a primary care physician. Under the PPO plan, some doctors visits must be pre-approved (as with mental health), but otherwise you do not need a referral to see a specialist. As with the POS plan, out-of-network coverage is available (though you'll still pay a higher co-insurance amount). Because PPO plans are more flexible than HMO and POS plans, the monthly health insurance premiums for PPO coverage are higher.

*Indemnity*

Indemnity plans offer the most expensive and most flexible health insurance coverage. Unlike the HMO, POS, or PPO, with an indemnity plan, the insurance company does not create a network of health providers who agree to provide services at the insurance company's set rates. Instead, under the indemnity plan, you can go to any physician you choose and the insurance company will pay a set percentage (usually 80-90%), though some services, such as annual wellness exams, may be covered completely. As with POS and PPO plans, you'll usually have to meet an annual deductible before the insurance company will kick in any benefits.

To search among the different types of insurance coverage available to you, click here.

**Flexible spending and health savings accounts**

Flexible spending and health savings accounts allow you to set aside pre-tax money each year to use for medical expenses. The savings with a flexible spending account (FSA) can be enormous: if you pay 33% of your income in taxes, by enrolling in a flexible spending account, you could save $33 on every $100 that you spend on healthcare costs. The employer-sponsored flexible spending account, also called a medical savings account, allows you to defer a portion of your compensation, before taxes are withheld, into an account that can be tapped for healthcare expenses not covered by health insurance. The potential disadvantage of the flexible spending account is that you must estimate accurately your annual medical expenses; money left in the account at the end of the year will be automatically forfeited.

A health savings account (HSA) is similar to a flexible spending account but is federally sponsored instead of employer sponsored. The HSA is designed for people who have policies with high deductibles ($1000 for individuals, $2000 for families) – usually self-employed people or employees of small businesses. The HSA allows tax-deductible contributions regardless of income. You can then make tax-free withdrawals from the HAS to pay for medical expenses not covered by your health insurance. Unlike the FSA, any money left in an HSA at the end of the year can be rolled over for the following year.

If you're insured with an employer that offers a flexible spending account, and feel like you can fairly accurately estimate your medical payments, the FSA can be a great money-saving option. If your employer doesn't offer an FSA, but you have a health insurance policy with a very high deductible, the government-sponsored health savings account may offer you the same great money-saving benefits.

**As always, shop around**

If you have health insurance through your employer, chances are that your choices of health insurance plans and providers are limited. But still, shopping around among the plans is important if you want to find the best plan for your needs at the lowest cost. Most employers make this easy for you by sending you comparison sheets with the main characteristics, including benefits and costs, of each plan, listed side-by-side. This is the easiest way to compare apples to apples.

If you're seeking out health insurance on your own, click here to check out what's available – by shopping around you could save $100's and get better coverage, too.