The Hidden 2017 Price Increase in Health Insurance

December 1, 2016 - If your employer doesn't supply your health insurance and you purchase it separately for you and your family, the chances are that you've already been jolted by the price increases that kick in next month. But everyone - including those with employer supplied insurance - is likely to face a price increase next year that isn't visible simply by looking at your insurance bill. That's because two of the country's largest pharmacy benefit managers are removing more than 40 drugs from their list of eligible drugs for pharmacy coverage. It's a decision that has gone largely unreported and which has the potential to be financially devastating for some people who are seriously ill.

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If your pharmacy benefits are managed for your insurance company by Express Scripts or Caremark, you're affected by this change. Even if you have never heard of these two companies you could be impacted. To know for sure, you may have to read through your actual insurance policy documentation.

GoodRx has an excellent write up on the drugs that are being dropped and the reasoning behind the change. We won't go into the details here. But what you need to know is that the change includes many widely used prescriptions. Additionally, it includes several drugs used for cancer and Hepatitis C. These drugs can cost tens of thousands of dollars for a full course of treatment and mean the difference between life and death for patients.

The good news here is that we are now in open enrollment for 2017 insurance policies. That means that you have the opportunity right now to see if you are impacted by these changes and, if need be, switch insurers.

You can see the Express Scripts list of newly excluded drugs for 2017 here. And you can see the Caremark list here. If a drug that you or a family member needs is on the list, it is time to start shopping for a new insurance policy.

When shopping, you need to be looking or that list of approved drugs for the specific policy you are purchasing. Not all policies are created equally. The drug list for a bronze level plan may be totally different than for a gold level plan, even if both plans come from the same company. If you have questions, pick up the phone and take the time to speak with an insurance company representative about the plans you are interested in. And very importantly ask them to take a look at the approved drug list for 2017. You need to make sure that the agent isn't looking at the 2016 list.

If you have insurance that is supplied by your employer, but a drug you need isn't approved for coverage, go to your HR department and see if there are alternatives available to you. Even if there isn't a policy available through your employer,

you may be able to purchase a supplemental policy outside of your regular insurance. There is also a good chance that you are paying a portion of your employer supplied insurance through paycheck deductions.

In a worst case scenario, you may want to drop your company supplied insurance and purchase an individual policy outside of work. When you drop your employer supplied policy, your paycheck deductions should stop - resulting in a higher take-home pay amount. While that increase in take-home pay probably won't cover the cost of insurance purchased elsewhere, it will help to offset the costs of such a policy.

byJim Malmberg

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