Article published on February 11th 2012 | Insurance

With swirling controversy over the availability of health insurance for all citizens of the United States, it is no wonder that those who live without it are discouraged when seeking low cost medical insurance for themselves and for their loved ones. During the interim between the passage of health care reform by the Obama administration and the actual implementation of the provisions, there are still options available to make sure that you are covered when you find yourself in need of medical care. One of the easiest and most cost-efficient plan that to consider is a health savings account, paired with an â€œemergencyâ€• coverage plan.

To get the maximum benefit from a HSA, you will need to open a specific HAS savings account with an approved bank or financial institution. Most states have approved HSAâ€™s in their territory, and the federal government allows tax-free money to go toward these types of plans. A HSA works by combining very high deductibles health plans, usually provided by major medical insurance companies, with savings accounts. The monthly fees for the health plans are considerably lower than standard plans, due to deductibles as high as $2500 or $5000 yearly. You are then free to take the money you save every month and deposit it into a savings account, where the money will sit there and be available for you to pay the high deductible if the need arises. If you do not fall sick and do not use the money in the savings account, it rolls over every year and is always yours to keep.

Health savings accounts are approved by the federal government for tax-exempt status, meaning that the amount that you invest in the savings portion of the plan is free from taxation on your yearly federal tax return. If you choose to withdraw money from your HAS for expenses not related to health care, you may do so, with the condition that you pay federal taxes on the amount withdrawn. The reason for this is that you did not initially pay taxes on that income prior to depositing it into your HSA.

One negative aspect of this type of plan is that most people tend to neglect seeking medical care for everyday problems, since the money up to the deductible amount will be paid out of their savings account. Neglected care can lead to bigger problems, so if you choose this type of approach to your health care insurance needs, make sure that you treat the money in your HSA as funding for everyday needs, and not for emergencies only. Particularly if you are young or do not have any major ongoing medical needs, this type of low cost medical insurance can save you a lot of money, while still providing the peace of mind that comes with knowing that you are covered.

Article Source:
http://www.articleside.com/insurance-articles/best-and-low-cost-medical-insurance.htm - Article Side

Lessardcasey - About Author:
Casey Lessard is an expert on health and dental insurance. He has been writing articles on a Low cost medical insurance for several years.

Article Keywords:
Low cost medical insurance

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!