

New health plans offer twists on existing options, with a dose of 'buyer beware'

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Trendy-looking websites promise convenience and freedom from networks, at far less than the cost of traditional health insurance.

"Welcome to insurance that's finally fair," says one, in bold lettering.
"Take care of your health with one easy app," says another.

It's all part of shopping for health coverage in 2021.

While they're still niche products, these nontraditional options say they aim to soothe consumer frustration with high premiums and deductibles by harnessing the growing availability of price information or patients' newfound comfort with online health services.

One such offering, from insurer Sidecar Health, pays consumers its estimated cash price for each medical visit and lets them shop for the best deal. Another, from Antidote Health, isn't insurance, but offers access to online-only [primary care](#) for a small monthly fee.

Still, these plans come with a dose of "buyer beware."

While the image the plans present is one of consumers taking control of their health care costs, the "reality is likely the opposite," said Dania Palanker, assistant research professor at the Center on Health Insurance Reforms at Georgetown University.

That's because they are not Affordable Care Act plans. They are not comprehensive medical insurance, and could leave patients responsible for hundreds or even thousands of dollars, either because benefits cover only part of a medical bill or because of other plan limitations.

What's offered by California-based Sidecar Health and Antidote in New York may appeal to shoppers who are younger or more tech-savvy, the uninsured, or those who don't get subsidies to help them purchase Affordable Care Act plans.

Consumers say ACA plans are "too expensive, or the out-of-pocket costs

are too high," or doctors don't accept them, said Mike Smith, president of The Brokerage, a marketing organization in Texas that recruits insurance agents and also sells insurance.

But these plans' lower premiums are possible, in part, because the plans cover less than ACA plans.

Standard benefits do not include maternity care, there's no annual limit on how much patients can pay out-of-pocket, and some decline to enroll people with health conditions, none of which is allowed in an ACA plan. Sidecar customers may find the amounts they receive to pay for care are less than they are charged, while Antidote doesn't cover lab work, X-rays, hospital care or expensive drugs.

Sidecar's Access Plan, licensed for sale in 17 states, adds a layer of pricing information to what's known as fixed-indemnity plans. Such plans pay the policyholder a flat rate, usually a dollar amount, based on the type of care they receive, such as a doctor visit or a day in the hospital.

Unlike typical indemnity plans, Sidecar provides more information, including individual payment calculations for 170,000 services based on its estimates of the average cash price in the patient's area for each service. That encompasses most services associated with regular doctor visits and lab work as well as the line-item charges included in surgeon's fees and hospital care.

But the medical provider might not accept that amount as full payment.

Patients can learn upfront from Sidecar the amount it will pay toward a medical visit—if they know what they need—and then shop around. Patients pay any difference between the Sidecar allowance and the actual charge. Conversely, if the patient can get it for less than Sidecar's rate,

the enrollee pockets the difference.

CEO Patrick Quigley sees his company as part of a nascent effort to harness the growing availability of price information, one that may prompt reluctant Americans to comparison shop.

"We're building a product around transparency and control, turning patients into purchasers," he said.

Some policy experts caution that the plan falls far short of comprehensive coverage.

Indemnity insurance can be useful in filling coverage gaps, but "it isn't major medical health insurance," Palanker said.

Consumers must choose a coverage amount for the year, from as little as \$5,000 to \$2 million. If a person selects, say, \$50,000 but faces a \$100,000 hospital bill after a car accident or a bad case of covid-19, they are responsible for the difference.

Because they're based partly on the total annual amount of coverage, premiums vary, but most are \$200 to \$300 a month, according to Sidecar.

Candidates must answer a series of health questions when applying, and those who weigh more than 300 pounds or have any of 13 specific health conditions are declined.

Quigley says the structure—no network, upfront price information—frees people to go to any doctor, hospital or clinic.

But it also means all services are out of network and there's no guarantee a provider or facility will accept the Sidecar benchmark price as

payment in full.

"If the providers you need to see do not fall in line with the median amount paid in your area, you are on the hook," said Joshua Brooker, a principal at PA Health Advocates, an independent brokerage that operates in 11 states. It does not sell Sidecar.

For complex treatments, like surgery, Sidecar directs members to request ahead of time a detailed estimate with all the expected charges, then send it to Sidecar for a calculation of what it would pay.

"Consumers are not used to saying, 'I need every code you are going to bill,'" said Stacey Pogue, senior policy analyst with Every Texan, a policy and research group in Austin. "For a really sophisticated consumer who understands indemnity insurance and cash prices and negotiating, this could be a good product, but I just don't think there are that many such consumers."

There's also no way to shop around in an emergency.

In those cases, Sidecar says, it steps in after the fact and negotiates directly with the hospital, aiming for "a reasonable charge," Quigley said.

Even proponents, including The Brokerage's Smith, said Sidecar may not be the best choice for everyone. Clients who choose it must educate themselves on how it works, especially its limitations, he said.

Consumers buy Sidecar's Access Plan online from the company or through participating brokers like Smith, not through federal or state marketplaces offering ACA insurance, because it isn't major medical coverage.

That may soon change, at least in Ohio.

Sidecar Health said it has state approval to sell an ACA plan there, starting in November for coverage next year.

Because this version must meet all the law's requirements—including accepting applicants with preexisting health conditions, posing no dollar limits on how much care it will cover and capping enrollees' out-of-pocket costs—its premiums in some cases may be higher than the Access Plan's.

Unlike ACA offerings from other carriers, it will have no set network of doctors and hospitals. Consumers will shop around, armed with plan price information.

Antidote, meanwhile, is sold in eight states. Monthly membership fees start at \$35 for an individual or \$59 for a family.

Co-founder Ben Enosh initially described Antidote's fees as premiums but later corrected himself to say the program has "one monthly fee at a significantly lower price point than insurance, which requires a premium plus deductibles and copays."

And it describes itself as a "digital healthcare company," not insurance, providing technical and administrative support to physicians. That's why, he said, it is not licensed by insurance regulators in several states where it is sold.

The plan resembles "direct primary care," for which patients pay a monthly fee to their local doctor, who then provides all their primary care. Unlike most of these programs, which include in-person office visits, Antidote is all online, the patient may not see the same doctor every time, and the physician may well be in another state.

Antidote has a network of 50 online doctors, some of whom are investors, Enosh said. Before an online visit, patients answer a [health](#) questionnaire, which takes about 10 minutes, he added. Analyzed by an algorithm, that data then helps physicians decide what might be going on. The technology has helped shorten online visit time to an average of six minutes, he said.

There are definite coverage limits.

Antidote's service provides primary care visits only, although Enosh said it informs enrollees of cash prices available at nearby labs. The plan's terms of use online show doctor visits are limited to 12 a year for individuals and 20 for families, after which a fee of \$15 per visit applies.

Hospitalization, imaging tests and surgery are not covered.

Additionally, its "no extra fee" drug coverage includes only 80 types of medications, which may well take care of run-of-the-mill concerns but not cancer or other major conditions. Patients would need to pay for those themselves.

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