

A GUIDE TO UNDERSTANDING,  
GETTING AND USING HEALTH INSURANCE

The  
**ABC's**  
of  
Health Insurance



washington

**healthplanfinder**

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# THE ABC'S OF HEALTH INSURANCE:

## WHY IS HEALTH INSURANCE IMPORTANT?

Even if you are in **GOOD HEALTH**, you will need to use the health care system at some point in your life. You never know when an accident may happen or when you will get sick and need to see a doctor. Health insurance provides you with an affordable way to **GET MEDICAL CARE** when you need it.

It also **PROTECTS YOU** and your family from the high cost of health care. The cost of even routine care can quickly add up, while the cost of care for a major illness or injury can be devastating.

At any age, and every level of personal health, health care costs should be something you take seriously. That is what health insurance is about — covering the expenses that come with **PREVENTING ILLNESS** and **STAYING HEALTHY**, and being prepared for the worst that could happen.

Many people don't think about health insurance until they need it. By doing some research and **MAKING GOOD CHOICES** ahead of time, you can save time and money down the road.



## WHAT IS HEALTH INSURANCE?

Health insurance is a contract between you and your insurance company. You buy a plan, and the company agrees to pay part of your medical costs when you get sick or hurt.



## WHY DO I NEED HEALTH INSURANCE?



If you have health insurance you can: Go to the doctor for preventive services and get the care you need to stay healthy; Be treated sooner if you or one of your family members get sick or diagnosed with a condition; and avoid having the condition worsen.

## WHAT IF I DON'T GET HEALTH COVERAGE?

If you don't have health coverage, you have to pay the full cost of all of your medical expenses. This can mean costs of \$50 for a flu shot, or \$30,000 for a 3-day hospitalization, or hundreds of thousands of dollars for comprehensive cancer care.



## IF YOU DO NOT HAVE HEALTH INSURANCE, YOU WILL PAY A FINE

### PENALTY

2014:

\$95 per adult/\$47.50 per child  
-or- 1% of income

2015:

\$325 per adult/\$162.50 per child  
-or- 2% of income

2016:

\$695 per adults/\$347.50 per child  
-or- 3% of income

(whichever amount is greater)

## WHAT DOES THE AFFORDABLE CARE ACT DO?



Makes health care more affordable



Creates an on-line marketplace to apply for free or low-cost health insurance



Improves the quality of care



Expands access to health care



## WHAT DOES HEALTH INSURANCE COVER?

All new health insurance plans offer coverage for the following:



Doctor visits



Trips to the ER



Prescription drugs



Maternity care



Preventive services

## HEALTH INSURANCE PROTECTS YOU FROM HIGH COSTS

Did you know the average cost of a 3-day hospital stay is \$30,000? Or that fixing a broken leg can cost up to \$35,000? Having health coverage can help protect you from high, unexpected costs like these.

### PROTECT YOUR FUTURE

You protect yourself and your family from financial losses when you purchase health insurance. A trip to the hospital can be much more costly than you might expect.

### AVERAGE HOSPITAL COST IN WASHINGTON AND NATIONAL

CONDITION	WA. STATE	NATIONAL
STROKE	\$23,049	\$24,336
PNEUMONIA	\$16,989	\$18,825
HEART FAILURE	\$16,896	\$18,095
CHEST PAIN	\$19,238	\$18,505
CHRONIC BREATHING DIFFICULTY	\$17,952	\$19,026
DEHYDRATION AND NUTRITION DISORDERS	\$17,854	\$19,117
URINARY TRACT INFECTION	\$19,583	\$20,822
ANEMIA AND RELATED DISORDERS	\$18,826	\$21,586
UNBLOCK HEART ARTERY	\$71,453	\$66,021
FUSION OF BACK VERTEBRAE	\$117,430	\$96,581
BACK SURGERY WITHOUT FUSION	\$29,851	\$32,834
HIP OR KNEE REPLACEMENT	\$56,488	\$52,249



The average cost of a trip to the emergency room for an adult is about \$700, not including any tests or hospitalization, which may increase the bill to over \$1,000.

## HOW MUCH WOULD IT COST?

Below is a list of injuries and what it could cost without insurance:



Dehydration and Nutrition Disorders: \$17,854



Heart Failure: \$16,896



Back Surgery without Fusion: \$29,851



Fusion for Back Vertebrae: \$117,430



Hip or Knee Replacement: \$56,488



Source: CMS 2013 price data release for fiscal year ending Sept. 30, 2012.

Important: These billing and payment data are not indicators of clinical quality and should not be viewed as such.

The average cost of a hospital visit is \$1,233, regardless of insurance. This is 40% higher than the \$871 the average American pays in monthly rent.



## KEY BENEFITS

One of the key benefits of health insurance is access to a large network of doctors and hospitals, as well as other resources to help you stay healthy. Other benefits of health insurance include:



### PEACE OF MIND

Health insurance protects you from risk of unexpected medical bills



### QUALITY CARE

Being a member of a coordinated health plan may get you better quality care



### FREE PREVENTIVE CARE

Full coverage for proven preventive measures such as checkups and immunizations



### NO DENIALS

You can't be denied coverage because of a pre-existing or chronic condition

## BENEFITS OF THE AFFORDABLE CARE ACT

### IMPROVING QUALITY AND LOWERING HEALTH CARE COSTS

- Free preventive care
- Rx discounts for seniors
- Financial assistance

### ACCESS TO HEALTHCARE

Health insurance marketplace

### NEW CONSUMER PROTECTIONS

- Consumer assistance
- Pre-existing conditions

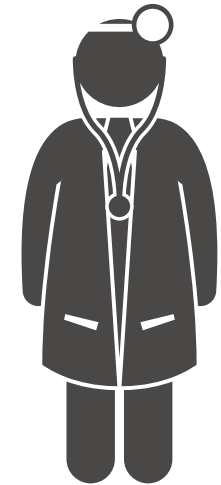


## HEALTH INSURANCE HAS CHANGED

Health is the most valuable asset of all. With a good health insurance plan, you help protect the health and financial future of you and your family for a lifetime.

With the new opportunities to get insurance that you can afford, it doesn't make sense to take a risk and go without insurance.

The Affordable Care Act puts laws in place for comprehensive health insurance reform. This includes:



### BENEFITS FOR WOMEN

Providing insurance options, covering preventive services and lowering costs.

### YOUNG ADULT COVERAGE

Coverage available to children up to age 26.

### ELIMINATING DENIALS

Insurance companies cannot deny you coverage or charge you more if you have a pre-existing condition.

### HOLDING INSURANCE COMPANIES ACCOUNTABLE

Insurance companies must justify any premium increase of 10% or more before the rate takes effect.

## THE 10 ESSENTIAL HEALTH BENEFITS ALL HEALTH PLANS ARE REQUIRED TO HAVE:

- Chronic disease care
- Lab tests
- Behavioral health
- Services and devices
- Care before and after your baby is born
- Trips to the ER
- Pediatric care
- Preventive services
- Prescription drugs
- Doctor visits and hospital stays

## AFFORDING HEALTH COVERAGE

Low- and middle-income tax payers can RECEIVE TAX CREDITS to help pay for health insurance. Individuals earning up to four times the federal poverty level are eligible for premium tax credits to help them buy health coverage through *Washington Healthplanfinder*.

HERE ARE TWO EXAMPLES:



### INDIVIDUAL

Nelly receives an annual tax credit of \$12,000 for health insurance. She chose a health plan with a premium of \$455 per month. Nelly uses \$300 of her tax credit per month to lower the amount of her premium from \$455 to \$155.

### THE NUMBERS:

Income: \$1,900 per month  
Plan cost: \$455 per month  
Tax credit: \$300 per month  
Nelly's portion: \$155 per month



### FAMILY

The Smith family receives an annual tax credit of \$12,000 for health insurance. They chose a health plan with a premium of \$1,450 per month. The family uses \$1,000 of their tax credit per month to lower the cost of their month premium from \$1,450 to \$450.

### THE NUMBERS:

Income: \$2,900 per month  
Plan cost: \$1,450 per month  
Tax credit: \$1,000 per month  
Smith family: \$450 per month

The Internal Revenue Service (IRS) pays the monthly tax credit to the individual or family's health insurance carrier. The individual or family pays their portion of the monthly premium using the payment method selected at enrollment.

## WILL YOU QUALIFY FOR FINANCIAL HELP?

Depending on how much you earn, you could get financial help. Free and low-cost coverage is available. Tax credits help lower the cost of your health insurance.

- Tax credits are applied directly to the premium payment at the time you enroll into insurance. You do not need to wait until you file taxes at the end of the year to get tax credits.
- Tax credits are paid by the federal government directly to the health plan that you choose through *Washington Healthplanfinder*.

This option may be available for people who:

- 1 Make between 138% and 400% of the Federal Poverty Level
- 2 Don't have insurance through work or another government program
- 3 Are a U.S. citizen or a legal resident
- 4 Do not file a Married Filing Separately tax return

You might qualify for lower costs at the doctor's office too. This is called "cost sharing reductions" and means you could pay less for things like doctor's visits, lab tests, and drugs.

If you qualify for lower costs at the doctor's office, you must sign up for a Silver plan to get the savings.

## WASHINGTON APPLE HEALTH EXPANSION

Washington Apple Health eligibility may be available for people who:



Make 138% or less of the federal poverty level

< 138% FPL

Are U.S. citizens or meet the five-year legal resident requirement



Are younger than 65



## QUESTIONS TO ASK WHEN CHOOSING A HEALTH PLAN

Picking a health insurance plan doesn't have to be complicated. Part of making the best choice is knowing what questions to ask. Use this list to compare health insurance plans before making your decision.

- How much is the premium?

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- Do you need to select a primary care physician (PCP)?

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- Is your current doctor part of the plan's provider network?

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- Do you need a written referral to see a specialist?

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- How easy is it to change doctors?

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- Is there a deductible?

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- Is there co-insurance?

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- Will you have a co-payment?

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- How does the plan handle visits to the emergency room?

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- Are hospitalization and major medical expenses covered?

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- Does the policy have visit limits for specific services?

- What is the plan's annual individual (or family) out-of-pocket expense limit? What costs are included in the out-of-pocket expense limit?

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- Is there a waiting period before you're fully covered?

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- Do you need additional coverage, such as dental, or vision?

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- Are you expecting any major medical expenses for the following year (for example, having a baby)?

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- What do your friends, family, and doctors say about the company you are considering?

## WHAT IS WASHINGTON HEALTHPLANFINDER?

*Washington Healthplanfinder* is the on-line place for people and small businesses to find, compare and sign up for qualified health insurance plans.

Qualified health plans are certified to have certain benefits that are of great value to your overall health care.

*Washington Healthplanfinder* offers people in Washington State tax credits to reduce the cost of monthly premiums.

*Washington Healthplanfinder* offers customer support on-line, by phone or in-person.

Use *Washington Healthplanfinder* to find an organization, an insurance broker or agent in your area for help.

WAHEALTHPLANFINDER.ORG



Click



Compare



Covered

## HOW TO USE WAHEALTHPLANFINDER.ORG

You can apply on *Washington Healthplanfinder* using our on-line application. *Washington Healthplanfinder* will guide you through the process step-by-step.



1

### BROWSE

Find and compare health plans available in your city. You can get estimated prices by providing your age, tobacco use and estimated income. You will get a list of plan options and estimated premium costs.

2

### APPLY

Enter more detailed information (for example: tax filing information, income sources) to see your eligibility for financial help, Washington Apple Health (Medicaid) and/or a Qualified Health Plan.

3

### SELECT

Choose and buy a Qualified Health Plan that is right for you and your family.

4

### FINALIZE

Once you reach the end of the application process, if you are eligible for a Qualified Health Plan you will select and confirm your plan. About a week later, you will get your first premium bill in the mail. If you are eligible for Washington Apple Health (Medicaid), your coverage is FREE. You will receive your ID card from your insurance company in the mail.

## CHECKLIST TO APPLY FOR FREE AND LOW-COST HEALTH INSURANCE

When you begin the application for free and low-cost health insurance, you'll need to provide some basic household information. Use the checklist below to help you get prepared.



**CONTACT INFORMATION FOR ALL HOUSEHOLD MEMBERS APPLYING FOR COVERAGE**



**ID NUMBERS SUCH AS SOCIAL SECURITY NUMBERS OR IMMIGRATION DOCUMENTS**

Have these available for anyone in your household applying for coverage.



**INCOME AND TAX FILING STATUS INFORMATION**

This may include previous year's tax return, pay stubs or W-2 forms. Be sure to have this information for anyone in your household applying for coverage.



**ADDITIONAL INFORMATION**

Information about health insurance available to your family such as Medicare, TriCare or job-based coverage.



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## HOW HEALTH INSURANCE COVERAGE WORKS

When you have insurance, you pay some costs and your insurance plan pays some others. Here are some of the ways that the payments break down:

### DEDUCTIBLE

A deductible is the amount you will spend on your health care before your health plan starts to pay some of your health care costs. The deductible is one of the ways you share the cost of your care with your health plan.

Your deductible amount starts over at the beginning of every calendar year.

### CO-PAY

A co-pay is a fixed amount you pay for a covered health care service. Services like a regular doctor's visit or filling a prescription will normally have a co-pay.

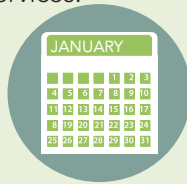
Your co-pay is due at the time you receive the service.

### CO-INSURANCE

Co-insurance is your share of the cost of a covered health care service. You start to pay co-insurance after you have paid your health plan's deductible. Instead of a set fee, co-insurance is a percentage of costs you pay.

### PREMIUM

Your premium is the amount you pay each month for your health plan. You must pay your premium even if you do not receive any health care services.



# HOW HEALTH INSURANCE PROTECTS YOU

Insurance coverage PROTECTS you from high medical costs two ways:

### OUT-OF-POCKET MAXIMUM

This is the total amount you'll have to pay if you get sick. For example, if your plan has a \$3,000 out-of-pocket maximum, once you pay \$3,000 in deductible, co-insurance, and co-payments the plan will pay for any covered care above that amount for the rest of the year.

### NO YEARLY OR LIFETIME LIMITS

Health plans through *Washington Healthplanfinder* can't put dollar limits on how much they'll spend each year or over your lifetime to cover essential health benefits. After you've reached your out-of-pocket maximum, your insurance company must pay for all of your covered medical care with no limit.

People without health coverage have to pay these costs. This can sometimes lead people without coverage into deep debt or even into bankruptcy.



### HOW DOES NOT HAVING INSURANCE AFFECT ACCESS TO HEALTH CARE?

People without health insurance coverage have worse access to care than people who are insured. Studies find that the uninsured are less likely than those with insurance to receive preventive care and services for major health conditions and chronic diseases.

PREMIUM

DEDUCTIBLE

CO-PAYMENT

CO-INSURANCE

## MAKING THE MOST OF YOUR NEW HEALTH COVERAGE

If you recently obtained health coverage through *Washington Healthplanfinder*, or Washington Apple Health (Medicaid), here are some steps you can take to make the most of your new coverage.



### PUT YOUR HEALTH FIRST

- Maintain a healthy lifestyle at home, at work and in the community.
- Get your recommended health screenings and manage chronic conditions..
- Keep all of your health information in one place.



### UNDERSTAND YOUR HEALTH COVERAGE

- Check with your insurance plan or state Medicaid or CHIP program to see what services are covered.
- Be familiar with your costs (premiums, co-payments, deductibles, co-insurance).
- Know the difference between in- and out-of-network services and the out-of-pocket costs to you of each.



### FIND A HEALTH CARE PROVIDER

- Ask people you trust and/or do research on the Internet.
- Check your plan's list of providers.
- If you're assigned a provider, contact your plan if you want to change.
- If you're enrolled in Washington Apple Health, contact the Washington State Health Care Authority.



### KNOW WHERE TO GO FOR CARE

- Use the emergency room for a life-threatening situation.
- Primary care is preferred it's not an emergency.
- Know the difference between primary care and emergency care.
- Make an appointment.
- Be prepared for your visit.



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