This presentation will help you understand how to get health insurance, how to pay for health insurance, and how to actually use it.

Health insurance can be confusing, but it is also really important. We need to be smart shoppers in order to understand what it will cost and what will help our families the most.
Insurance in general is meant to protect you financially if something bad happens that is expensive to fix or recover from. You might get insurance for your car, life, your apartment, or even your phone. When you have insurance, you pay a little bit each month. If there is an accident, the insurance company will help cover some of the costs for you.
Health insurance does even more. It pays for the big, unexpected events, but also for some of the smaller, more expected things. For example, it helps with the cost if you are in the hospital, and also when you get a routine check-up. This is great because it means you can take care of any small health problem as soon as you notice it, rather than waiting until the problem gets worse and you become really sick.
If you don’t already have health insurance, you may think you don’t need it. But what happens if you’re in a car accident or your husband falls off of a ladder? What if you are depressed and you didn’t seek counseling because it was too expensive? Did you know that a trip to the emergency room can cost more than a month’s rent--over $1200? Then what happens if you get hospitalized, and you need some medical care for a month or more? It’s a gamble that is not worth taking. With insurance, you can manage these events that could affect you or your family. Without insurance, these bills will add up fast, they’ll be devastating and they will cost too much.
No matter what type of insurance you have, your plan is required to help you pay for 10 important health services. They are called Essential Health Benefits. They include:

1. Outpatient care—the kind you get without being admitted to a hospital
2. Lab tests
3. Prescription medicines
4. Preventive and wellness services and chronic disease management—such as education about how to manage your diabetes
5. Trips to the emergency room—This is for very serious problems that cannot wait, (like broken bones, heart attacks, bad accidents). If you show up in the Emergency Room and it’s not that serious, your insurance might not cover it.
6. Hospitalizations (such as surgery) —This is when you are admitted and you get treatment in the hospital for inpatient care.
7. Care before and after your baby is born
8. Help with mental health issues, drug or alcohol abuse, counseling and therapy
9. Services and devices to help you recover if you are injured, or have a disability or chronic condition—things like physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation
10. Dental and vision care for kids—These will be offered but you don’t have to buy them.
Health insurance doesn’t pay for everything. It usually pays most of the bill, but you will still have to pay some. This is called cost-sharing. The amount that you pay depends on the kind of plan you have. Usually, the more you pay per month to have insurance, the less you’ll have to pay when you go to the doctor.
Once you have insurance, you need to know how to use it. One of the most important things your company will send you is an insurance card. It is an important tool, and it explains what you do have to pay for each time you use different health care services. When you have questions, call the number on your card.

Here is an example. Notice that your card has telephone numbers and other important information like your plan type, your ID number, and the costs you will have to pay for care, both in and out of network. You’ll probably notice there are a lot of abbreviations on your card, but these are all things you have probably seen before.


One of the most important abbreviations on your card is P.C.P. or primary care provider. Your PCP will help you plan annual check ups and medical tests to stay healthy. Many types of insurance make you see a PCP before you can go to a specialist (like a heart or skin doctor).

Every time you go to the doctor or specialist, fill a prescription, or see a therapist, you will need your card. Keep it with you all of the time—just like a drivers license. If you have to be admitted to the hospital, call your insurance company right away.
For even more details about your plan, take a look at your Summary of Benefits and Coverage (SBC). And if you still have questions, your health insurance company is there to help you. Call them or go to their website.

- If you still have questions, your health insurance company is there to help you.
- Call them or go to their website.
There are many health insurance words you need to understand when you buy it and use it. The most important ones are **premium**, **co-pay**, **deductible** and **co-insurance**. Let’s look at an example of how all of these words work together. Maria is a single waitress who just got health insurance for the very first time.
Each month, Maria pays what’s called a **premium** to have health insurance, even if she does not use any health care services. Maria gets help paying for health insurance from the government, and her premium is 150 dollars every month.
Once you’ve paid your premium, most plans give you a discount on how much you pay for doctor visits and drugs – only making you pay a small portion or fixed amount, called a **co-pay**.

<table>
<thead>
<tr>
<th></th>
<th>Co-pay</th>
<th>Deductible</th>
<th>Co-Insurance</th>
<th>Out-of-pocket maximum</th>
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<tr>
<td>Premium</td>
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<tr>
<td>$150 every month</td>
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**Co-pay**

- PCP: $25
- SPC: $50
- HO: $500
- RX: $10

Once she’s paid her premium, Maria’s plan gives her a discount on doctor visits and drugs—only making her pay a small amount called a **co-pay** for these things. For example, her insurance plan charges her a $25 co-pay to see a primary care doctor and a $50 co-pay to see a specialist, if she stays in the network. Maria pays $10 for prescriptions, as long as they are covered by her plan. Many other services are now free when you have health insurance, like flu shots, cholesterol screenings and depression screenings. If Maria didn’t have insurance, all of these things would cost a lot more money.
Even though she gets these discounts if she stays in the network, Maria will have to pay for the full costs of all her other medical expenses—things like MRIs and physical therapy—until she spends enough on health care each year to meet what is called her deductible. Maria’s **deductible** is $3,000 each year.

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<thead>
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Your **deductible** is the amount you have to pay before your health insurance helps pay your bills.
After she has spent $3,000 on co-pays and other health care services, her plan will cover the majority of her costs for the rest of the year, and she will pay a small percentage called co-insurance. This amount varies depending on the plan you choose, but Maria’s plan covers 80 percent of her health care costs once she meets her deductible, and she only pays 20 percent.

Now, let’s say Maria has an accident. It costs $50,000 to cover all of the medical bills. But because Maria has health insurance and goes to an in-network hospital, her insurance company will pay for 80 percent of the bills, and she will only owe 20 percent. But that means Maria should still owe $10,000 on her $50,000 medical bills.
Lucky for her, her plan has what we call a $6,000 per year out-of-pocket maximum per person. Since Maria has already paid her $3,000 deductible, she will reach her out-of-pocket-maximum after she pays $3,000 more, for a total of $6,000. The rest of the bills from the accident are covered by her insurance. Now, if anything else happens to Maria, her insurance company will pay for all of the costs for the rest of the year, and Maria won’t pay another penny- as long as she stays in the network.

### Premium Co-pay

| PCP: $25 | SPC: $50 | HO: $500 | RX: $10 |

Your out-of-pocket maximum is the total amount of money you might have to pay in a year if you get all of your care in-network.

### Out-of-pocket maximum (per person)

- **Premium**: $150 every month
- **Deductible**: $6,000
- **Co-Insurance**:
  - PCP: $25
  - SPC: $50
  - HO: $500
  - RX: $10

### Out-of-pocket maximum

- **$6,000**

EFFECTIVE DATE: 01-01-2014

PRESCRIPTION GROUP #: 23456

SPC: $35 /$50

HO: DED/COINS

ER: $150

HOSPITAL ADMISSIONS REQUIRE PRIOR APPROVAL

POS
If you look at the bold numbers on the bottom, you will see that Maria’s total health care costs for the year with health insurance are $1,800 for all of her monthly premiums and $6,000 for all of her costs after that. So if Maria has insurance, the most money that she could possibly pay in a year for health care is $7,800.

### Maria’s total costs with insurance

<table>
<thead>
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<td>SPC: $50</td>
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<td>HO: $500</td>
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<td>RX: $10</td>
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<td><strong>Total</strong></td>
<td><strong>$3,000</strong></td>
<td><strong>$3,000</strong></td>
<td><strong>$6,000</strong></td>
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</tbody>
</table>

### Maria pays $7,800

- Accident costs $50,000
  - Maria pays $7,800

**INSURANCE COMPANY NAME**

**EFFECTIVE DATE:** 01-01-2014

**PRESCRIPTION GROUP #:** 23456

**MEMBER NAME:** MARIA HERNANDEZ

**MEMBER ID:** 54321-123-321

**GROUP #:** 12345-987-654

**INSURANCE EFFECTIVE DATE:** 01-01-2014

**PRESCRIPTION GROUP #:** 23456

**HOSPITAL ADMISSIONS REQUIRE PRIOR APPROVAL**

**POS**

**Total = $50,000**
Here is another way to look at Maria’s costs. If Maria hasn’t met her $3,000 annual deductible, her plan doesn’t pay for any of her health care bills. But it will let her get certain preventive services for free and it will give her discounted rates to see the doctor and buy prescriptions. Once Maria has seen a doctor several times and paid $3,000 in total, she reaches her deductible, and co-insurance begins. Her plan only makes her pay for 20 percent of the bills after that, and it pays the other 80 percent of the bills. If Maria uses a lot of health care and pays for $6,000 in total, her plan covers the full cost of her covered health care services for the rest of the year. This means Maria has reached her “out-of-pocket maximum.”
Now that we’ve explained how health insurance works, let’s review the new law and talk about how it will help you get health insurance that you and your family can afford.

The new law is called the Affordable Care Act, the ACA or you might know it as Obamacare. Now, it’s easier than ever to find out what options you and your family have for getting health insurance and how to pay for it.

We need you to help spread the word that “now’s the time to get ready.” The law says that if you don’t get insurance, you will have to pay a fine when you pay your taxes. You may be able to get help from the government to pay for your health insurance, but… If you don’t enroll by the deadline, you won’t be able to get all of the help or financial aid that you may qualify for.

Here are a few highlights about the new law: Did you know that you can add your kids to your plan, and keep them on it until they turn 26? Also, did you know you can’t be turned away—even if you already have a health problem or what we call a ‘pre-existing condition’?
When you get coverage, it also includes things like seeing a doctor for a check-up, going to the hospital, seeing a counselor or therapist, paying for prescriptions, flu shots, depression screening and more! Some services (like shots, well check-ups, cancer screenings and other preventive care) may be paid for by your plan (and free to you), even if you have not met your deductible.
So, now that you know about the ACA, how will you get insurance for you and your family? Well... it really depends on a few things: how much money you make, if you file income taxes, and how many people are in your family.

With the new law, some people will be getting their health insurance through the government (like Medicaid or CHIP), and a lot of people will buy insurance from private companies.
Let's review the application process. Before you begin, you need to get some papers together.

For every person in your house (which is defined by how you file your income tax return) who needs coverage, you must have their:

1. Social security number or something that proves they are legal US residents (like a Green card, Alien card, or a Permanent Residence Card).
2. You also need to document income. This means you need pay stubs, W-2 forms, income tax returns, letters from Social Security, Supplemental Security Income and the VA for everyone in your house.
3. If anyone in your family has insurance right now, you need their policy number.
Now that you have your paperwork—you are ready to apply. You can do it yourself or have someone help you.

**Online**

Go to [HealthCare.gov](http://HealthCare.gov)

**Mail/Phone**

Get a paper form by calling 1-800-318-2596 or go to a WIC office, Health Department, or doctor’s office and have them print one for you. Complete it and mail it in.

**Get Help**

You can also make an appointment. Find an ‘assister’ at any of these places and schedule an appointment, or call 1-800-318-2596 and ask how to get in-person help.

Now that you have your paperwork—you are ready to apply. You can do it yourself or have someone help you.

Do it yourself by going online to HealthCare.gov or get a paper form and mail it in. To get a paper copy, call the Marketplace Call Center at 1-800-318-2596 or go to a WIC office, the health department or a doctor’s office and ask someone to print one for you.

You can also make an appointment to have someone help you at these places. Find an “assister” and schedule an appointment, or call the Marketplace Call Center. Assisters might be called navigators, certified application counselors, agents and brokers.
If you go online to fill out the application yourself or if you get help from an assister, you will go to HealthCare.gov. This is the Health Insurance Marketplace. The Marketplace is where you “shop” for different insurance plans, and it will help you find the best one that fits your budget and your health needs. If you do not qualify for any other type of insurance like Medicare, Medicaid, CHIP or health insurance from your job—or if your job offers insurance but the cheapest option costs more than 9.5 percent of your household income—you should buy insurance from the Marketplace.
Do you qualify?
You need to meet three requirements

You must live in the U.S., be a U.S. citizen, a U.S. national, or a legal U.S. resident.

You can’t be in prison or in jail.

Even if your job offers you health insurance, you can still shop on the Marketplace.

In order to get insurance through the Marketplace:
1. You must live in the U.S. be a U.S. citizen, a U.S. national, or a legal U.S. resident.
2. You can’t be in prison or jail.
3. Even if your job offers you health insurance, you can still shop on the Marketplace. Again, you will get help paying for it if you qualify.
If you meet these requirements, there are 5 steps to getting covered. Let’s walk through them:

1. If you apply by yourself, you will need a working email address. If you don’t, call the Marketplace to sign up without one or make an appointment with an assister.

2. Create a Marketplace account on healthcare.gov, or apply over the phone.

3. Find out what kind of plan you can get and see if you qualify for help paying for it.

4. Compare your options by seeing what they cost and what they cover.

5. Pick the plan that fits your budget and meets your needs, and then pay your first month’s premium to finish enrolling.

If you have an email address, sign in. If you don’t, call the Marketplace to sign up without one or make an appointment with an assister.

Create a Marketplace account on healthcare.gov, or apply over the phone.

Find out what kind of plan you can get and see if you qualify for help paying for it.

Compare your options by seeing what they cost and what they cover.

Pick the plan that fits your budget and meets your needs, and then pay your first month’s premium to finish enrolling.

Enroll in coverage
Let’s walk you through 5 steps

1. If you have an email address, sign in. If you don’t, call the Marketplace to sign up without one or make an appointment with an assister.

2. Create a Marketplace account on healthcare.gov, or apply over the phone.

3. Find out what kind of plan you can get and see if you qualify for help paying for it.

4. Compare your options by seeing what they cost and what they cover.

5. Pick the plan that fits your budget and meets your needs, and then pay your first month’s premium to finish enrolling.

It’s important to remember that when you buy health insurance plans in the Marketplace, you are signing a contract, and you are agreeing to pay the bill every month.

This process is easier than ever because the Marketplace shows you all of your choices in one place. You don’t have to do all of the research by yourself.
When you buy health insurance on the Marketplace, chances are pretty good that the government will help you pay, and the website will tell you how much you get so you know when you are shopping. If you qualify, you might get things like doctor visits, counseling sessions, and prescriptions for less.

This can happen if you qualify for **tax credits** and **cost-sharing reductions**. These work like coupons from the government to help you pay for your care. Most people will get help paying for their monthly insurance bill, and some will get even more help paying for care as they use it.

How do you know if you qualify? It depends on how much you make. If you’re single, and you make between $11,490 and $45,960 or if you have a family of four and make between $23,550 and $94,200, you will qualify for help.

If you are an immigrant and you live legally in the US, you should talk to an assister.
The Marketplace gives you control over options and it will let you compare plans from each health insurance company. It will break down the costs under each of these plans side-by-side. Usually, you pay a lower monthly premium if you have a higher deductible. So if you think you and your family will use a lot of health care in a given year, you want a plan with a higher monthly cost, because it will have a lower overall cost when you add up all of your treatments and medicines. Make sure you pay attention to the “out-of-pocket maximum.” These can be really high when you choose a plan that has lower premiums and deductibles.
You might have noticed that this plan is a POS plan and it shows fixed costs for seeing a PCP or specialist and getting prescriptions. This is true only if you stay in the network. We mentioned that term before, when we explained other health insurance words with our example of Maria. Let's talk about what these terms in-network and out-of-network mean.

In-network costs

If you go out-of-network, it will cost more.
A **network** is a list of doctors and hospitals that you have to use to get the best price. It’s important to understand that you have to use doctors in the network or it’s not free. Here we show doctors and specialists that are part of your health insurance company’s network. If you choose to see someone in the network, you will pay less money than if you choose to see someone that is out of network, or not a part of your insurance plan.

Here are some of the types of plans that you may be able to choose from. You’ve probably heard these terms before.

There are usually three types of plans: H.M.O., P.O.S. and P.P.O. H.M.O.s cost less, but you don’t have as much freedom as you would with more expensive P.O.S. or P.P.O plans. Call the Marketplace or ask an assister to get more information when you are choosing a plan.
If you still can’t afford insurance after applying on the Marketplace, there are 2 other options. Are you under age 30? Have you had a hardship? Hardships are things like being homeless, getting evicted in the past 6 months, or foreclosing on your home. If this applies to you, you might be able to buy catastrophic coverage. A catastrophic plan is meant to cover major medical costs like being hospitalized. It comes with 3 primary care visits per year, and it includes preventive services like flu shots. It has a very high deductible—usually several thousand dollars.
Here are some general tips for getting the most out of your plan. Use your PCP. Schedule a well check-up with your primary care provider to get started, and then schedule appointments with them during the rest of the year for routine check-ups, preventive care or when you are sick and it is not an emergency.

Before your first appointment, get ready by doing each of these things:

- Have your insurance card with you.
- Know your family health history—for example, does anyone in your family have health problems such as heart disease, cancer or high blood pressure?
- Bring any medicines, vitamins or herbs you are taking.
- Write down questions you want to ask your doctor.
It's okay to take notes during your appointment—this can help you remember what your doctor told you to do. It might also be a good idea to bring a friend or family member to the appointment with you. This person can help you remember what was discussed and what you need to do afterwards.
There are a few important things you need to remember to do after your appointment:

1. Be sure to do what your doctor told you to do.
2. If you need a follow-up appointment, schedule it.
3. Pay your medical bills. If you have a hard time paying, call the number on the bill. Don’t ignore the bill just because you can’t pay it.
You might be wondering when you can sign up.

If you qualify for Medicaid or the Children’s Health Insurance Program (CHIP), you can apply all year long. Submit an application in your state as soon as you can, because it can take a while for them to get back to you so you can enroll.

You can only buy insurance through the Marketplace during open enrollment. This is a 3-month period, which usually happens in the winter.
If you want to know more about how to use health insurance once you get it, go to the Coverage to Care website: [http://marketplace.cms.gov/help-us/c2c.html](http://marketplace.cms.gov/help-us/c2c.html)

If you think you might qualify for Medicare, Tricare, COBRA or other forms of health insurance that we haven’t talked about, visit Let’s Ask Four, a guide that will explain all of the different ways you can get health insurance: [www.iom.edu/4questionsGuide](http://www.iom.edu/4questionsGuide)

Finally, remember you can always call the Marketplace, visit HealthCare.gov or talk to an assister where you get health care if you have any questions.
We hope you now have a better sense of what health insurance is, how you get it, and how to use it. Feel free to review and share these materials as much as possible. Thanks for your help in getting the word out about the Affordable Care Act.

_Developed for the Substance Abuse and Mental Health Services Administration (SAMHSA) by Kara Jacobson, MPH, Nicholas Goodwin, and Ruth Parker, MD_