

# Health Insurance Basics

A Quick Guide From [MedicalRecords.com](https://www.MedicalRecords.com)<sup>TM</sup>

# What's in this guide?

**This guide will help you will help you understand some of the basics of Health Insurance, and some of the options available to you.**

**Having a health insurance plan is the most important step of all your financial plans. Before making any investment get adequate health insurance for yourself and your family's safety. Health insurance is not only about illness or diseases, but it also comes handy during any accidents. Health insurance plans are quite complex when compared to other insurance policies.**

**Rest assured, we are standing by to answer your questions and assist you in any way we can.**



# Step 1: Find your marketplace

What kinds of plans are available to you?

## Employer Based

- You might not get much choice in your plan, but some companies do offer multiple plans
- If available, this will be the least expensive options as your company will pay a portion of the premium

## Private Exchange

- You can also choose your health insurance through a private exchange or directly from an insurer
- But by choosing these options you will not be eligible for income-based subsidies or discounts on your monthly premium

# Step 2: Compare the types of health insurance plans

Plan Type	Coverage only for in-network providers?	Referral Required for Procedures?	Benefits	Points to Consider
HMO Health Maintenance Organization	Yes except in emergencies	Yes	A primary care doctor that coordinates care Lower out-of-pocket costs	Less freedom to choose your providers
PPO Preferred Provider Organization	No but in-network is less expensive	No	More provider options	Higher out-of-pocket costs
EPO Exclusive Provider Organization	Yes except for emergencies	No	Lower out-of-pocket costs	Less freedom to choose your providers
POS Point of Service Plan	No but in-network is less expensive	Yes	A primary doctor who coordinates your care More provider	Referrals for specialists may require more effort

# Step 3: Compare health plan network

## What is the network?

- Many health plans have associated doctors and specialists they require or encourage you to use
- If you have specific doctors you want to use, it is critical to know if they are in-network for the plans you are considering

## Network incentives

- The vast majority of insurance plans offer in-network provider services at lower cost
- Out of network providers may be more expensive or not covered at all, which would require any costs to be out of pocket
- Some plans have exemptions for seeing doctors out of network during emergencies

# Step 4: Compare out-of-pocket costs

**You are responsible for paying deductible, coinsurance, and copayments**

## **Monthly Premiums**

- This is the payment you pay to keep the insurance

## **Deductible**

- The amount of money you have to spend for health services before your insurance company pays anything (except free preventive services)

## **Coinsurance**

- Once your deductible is met, coinsurance is the percentage of the remaining costs you will need to pay

## **Copay**

- A fixed fee for each doctor visit, prescription, or other types of care

## **Out-of-pocket maximum**

- After you reach this amount, the insurance company pays 100% for covered services

# Step 4: Compare out-of-pocket costs

## What should you choose?

### Higher monthly premiums but lower deductible/coinsurance/copay

- You frequently see a doctor, whether a primary physician or a specialist
- You need emergency care frequently
- You take brand-name or expensive medications on a regular basis
- You plan to have a baby, are expecting a baby, or have small children
- You have surgery planned
- You've been recently diagnosed with a chronic condition such as cancer or diabetes

### Higher out-of-pocket costs and lower monthly premiums

- You can't afford higher monthly premiums for a plan with lower out-of-pocket costs
- You are in good health and rarely see a doctor

# Step 5: Compare benefits

## What coverage is best for you?

### Check coverage based on your personal health

- You can enquire by calling customer care of the insurer you are considering
- If you have any present health conditions or take specific medication, be sure to enquire specifically about coverage under that particular plan
- Check start date of coverage and what documents are needed

### Health Insurance Quality Categories

- Bronze plans cover 60% of estimated typical annual medical costs
- Silver plans cover 70%
- Gold plans cover 80%
- Platinum plans cover 90%

# Information about Affordable Care Act Plans

## ACA Plans (Obamacare)

- Typically takes 2-6 weeks for the stated coverage to begin
- You can switch your plan during the Open Enrollment or Special Enrollment period
- Plans are required to cover at least one drug per drug class, but the minimums can vary by state
- All pregnancy costs are covered
- Full mental health coverage is provided. However, each state has a different definition of mental health services that are required to be covered.
- Substance use disorder services, such as rehabilitation, are covered by an ACA plan
- All preventative services are covered without any cost-sharing requirements
- Coverage for pediatric oral and dental care is provided
- An ACA plan lets you avoid any health care insurance related tax penalties

# Conclusions

- While choosing health insurance try to shortlist 2 to 3 insurance plans
- Do not always choose the one with a low premium instead, check for its coverage and compare it with your needs
- Always remember everyone in your family needs health insurance that will support you financially during any medical emergencies
- Choose your health insurance wisely to get the right benefits.