

SHEPHERD'S CLINIC

INSURANCE 101



OBJECTIVES

- To increase understanding of common insurance terms.
- Overview of the application process; eligibility expectations and responsibilities.
- Create scenarios to help compare different insurance plans.
- Common pitfalls to avoid.

DEFINITION OF TERMS

- PREMIUM
- CO-PAY and CO-INSURANCE
- DEDUCTIBLES
- TAX CREDITS
- MARYLAND EXCHANGE/MARKET PLACE
- OPEN ENROLLMENT

WHY DO YOU NEED HEALTH INSURANCE?

- Purchasing an insurance policy is required by law if you are financially eligible. This law is the Affordable Care Act, also known as ObamaCare.
- If you are eligible to buy a policy and decide it is not affordable, you will face a tax penalty.

TYPES OF HEALTH INSURANCE

- **Medicare:** Insurance for patients who are 65 years and above, US citizens or Legal residents
- **Medicaid :** For patients who make up to 133% of the Federal Poverty Level. This insurance is at no cost, with possibly small co-payments for medication
- **Private Insurance:**
 1. Individual policy that the patient purchases
 2. Employment based insurance: provided by the employer, where the patient usually pays part of the premium

Maryland Health Insurance Exchange

- Also known as the Maryland Health Connection, the state-run marketplace with over 50 plans to choose from .
 - Offered by private insurance companies – the government may pay for some through a subsidy
 - Targeted to the uninsured
 - For when an employer doesn't offer insurance or when someone is self employed
- Enrollment for the Medicaid program can also be done on the exchange.

PREMIUM

- The amount that must be paid every month for your health insurance or plan whether you use your insurance or not.
- Premiums are lower for Bronze plans and get more expensive for Silver, Gold and Platinum
- Even though you pay your premium, you will still have to pay for part of each prescription you fill. That is called a prescription co-pay.
- The premium you pay does not make the deductible go down. We will talk more about deductibles later.

CO-PAYMENT

- **Copayment**—a fixed dollar amount you pay each time you see a doctor or fill a prescription. Your insurance card tells you how much your co-pay is for doctor visits and medications
- **Coinsurance**—this is another amount you will need to pay when you have special tests or procedures. You also pay coinsurance when you visit the ER or are admitted to the hospital. It's a percentage of the cost of services, usually 20%

DEDUCTIBLE

- Deductible—the amount you pay **before** insurance will begin paying for care.
- The amount you pay toward your deductible is in addition to what you pay for your premium.
- Until you reach your deductible, you will have to pay most of the cost of care for some services.
- Deductibles start over every January 1st.

SAMPLE CARD

- PCP: Primary Care physician
- Em: Room Co pay
- DED: DEDUCTIBLE
- HO: HOSPITAL STAY
- COINS: CO INSURANCE.

 ABC INSURANCE PARTNERS	PPO
Policy Number 356M59557	3) Office Visit Copay: \$15 Specialist: \$15
Group Number 1234567	4) { Emergency Room: \$150 Urgent Care: \$50 Rx: \$10/20/40
Group Name XYZ COMPANY	Network Coinsurance:
Member Name SUSAN J. SAMPLE	5) In 90%/10% 6) Out 80%/20% Med/Rx Deductible Applies

Subsidies/Tax Credits

- When you have a premium, you pay part of it, and the government pays the rest as a tax credit or subsidy. This helps you afford health coverage purchased through the Marketplace.
- When you meet with the Health Care Access Navigator (HCAM) they will determine how much subsidy/tax credit you can get, depending on how much you make.

Financial Assistance Eligibility

Number of people in your household

1

2

3

4

5

6

Private Marketplace health plans

You may qualify for **lower premiums on a Marketplace insurance plan** if your yearly income is between...

\$11,670 -
\$46,680

\$15,730 -
\$62,920

\$19,790 -
\$79,160

\$23,850 -
\$95,400

\$27,910 -
\$111,640

\$31,970 -
\$127,880

See next row if your income is at the lower end of this range.

You may qualify for **lower premiums AND lower out-of-pocket costs for Marketplace insurance** if your yearly income is between...

\$11,670 -
\$29,175

\$15,730 -
\$39,325

\$19,790 -
\$49,475

\$23,850 -
\$59,625

\$27,910 -
\$69,775

\$31,970 -
\$79,925

OPEN ENROLLMENT

- Time period when people who are eligible can go into the Maryland exchange and buy a plan.
- Opens November 19th 2014.
- Closes February 15th 2015
- Open enrollment for Medicaid is year round

What is an MCO? Managed Care Organization

- An MCO health plan is a group of doctors who work together to provide health care for their members.
- When you become insured through Medicaid or an insurance policy, you select a primary care provider who is part of that MCO to do your checkups, provide basic care, and make referrals.
- The MedStar Adult Medicine practice at Shepherd's is an MCO and accepts many plans

MedStar Adult Medicine MCO Plans

- Medicaid
 - MedStar Family Choice
 - Amerigroup
 - UnitedHealthCare
- Medicare Part B
 - MedStar Medicare
- Insurance Plans on the Exchange
 - Evergreen Health Co-op
 - Carefirst, Inc.
 - United Healthcare, Aetna, Cigna
 - Many other plans, check with their front desk !

CHOOSING A PLAN



Health Insurance Plans - the HCAM Navigator Meeting

You will take these things with you to meet with the HCAM Navigator and the volunteer insurance counselor

- Your mailing addresses
- Social Security Number
- Employer and income information (for example, from pay stubs or W-2 forms—Wage and Tax Statements).
- Your best estimate of what your household income will be in 2015.

The HCAM Navigator will tell you what you can afford and are eligible for.

- BRONZE PLANS
- SILVER PLANS
- GOLD PLANS
- PLATINUM PLANS

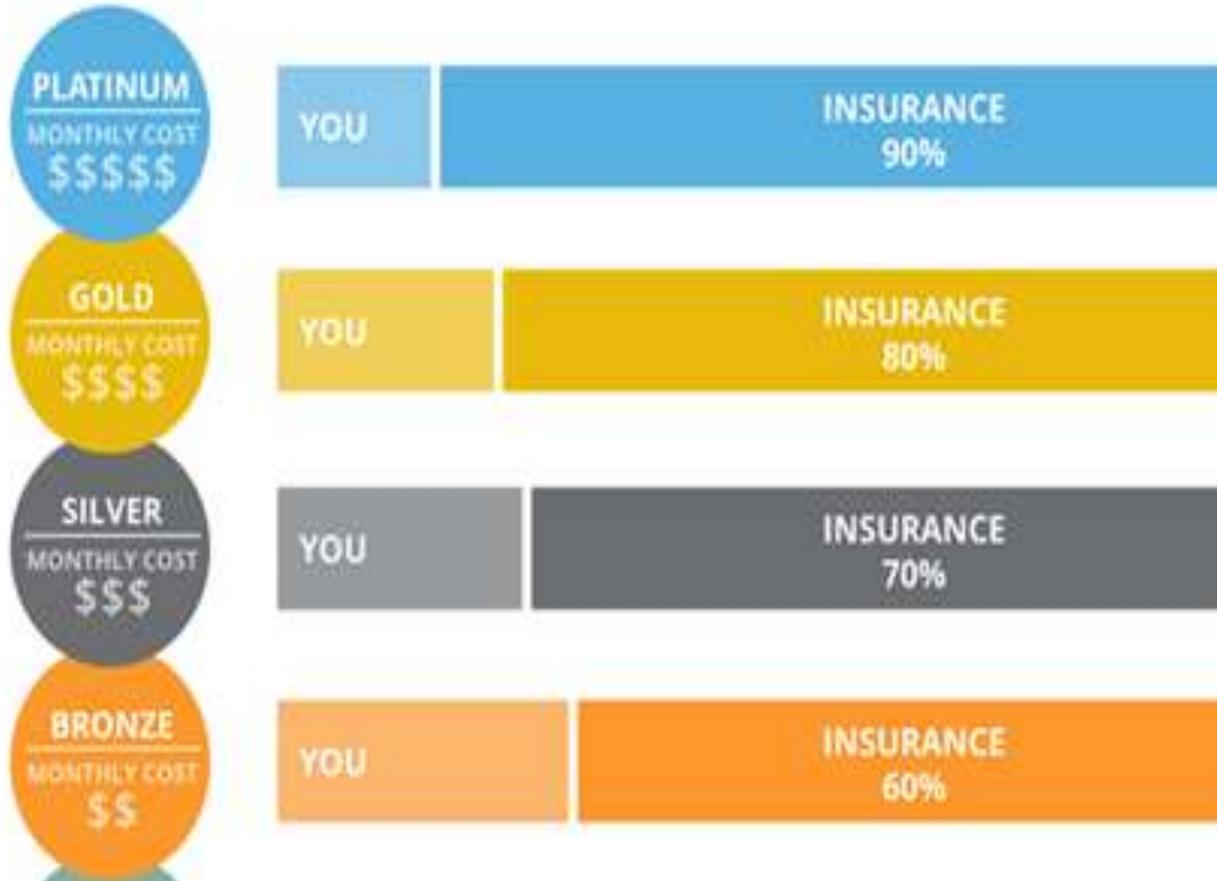
The volunteer insurance counselor will talk with you about out of pocket expenses for the plan you are eligible for.

TYPES OF PLANS (CONTD)

There are 4 plans available in the Health Insurance Marketplace, and each one provides the 10 essential health benefits.

PLAN TYPE

WHO PAYS FOR YOUR HEALTH CARE



SERVICES OFFERED IN EACH PLAN

- Preventive services (such as immunizations and mammograms) and management of chronic diseases such as diabetes
- Emergency services
- Hospitalization
- Laboratory tests
- Maternity and newborn care
- Mental health and substance-abuse treatment
- Outpatient care (doctors and other services you receive outside of a hospital)
- Pediatric services, including dental and vision care
- Prescription drugs
- Rehabilitation services

Important Questions

YOU:

- Can I afford the out of pocket costs? Deductibles and premiums? How much can I afford to spend on healthcare /insurance monthly?
- What are my healthcare needs? How healthy am I? Do I need to see a specialist?

PLAN:

- Does it cover most of the services I need?
- Are my care providers within this network?

SCENARIO 1

- Michelle is young, healthy, and employed part time. She only goes to the doctor for an annual routine physical and is rarely sick. In the winter, she gets strep throat and visits her physician who prescribes a medicine to help her get better.

What plan would work best for Michelle?

- Because Michelle is healthy and doesn't go to the doctor very often, she may choose to buy a Bronze Plan with a lower monthly premium and a higher deductible which may be as high as \$5000
- Her monthly premium is probably about \$50. The sick visit cost \$135.00 which she was billed for since it went toward her deductible, she paid a \$20.00 co-pay when she saw the doctor, and the co-pay for the medicine was \$20.00 – total cost for this visit is \$175.00 **plus** her monthly premium.

What options does Michelle have?

If Michelle can afford the out of pocket expenses for a Bronze or Silver plan, she should purchase a policy on the health care exchange and save for those months when she has a need to visit the doctor when she is sick.

If Michelle cannot afford the out of pocket expenses, and meets the financial and zip code requirements to be a patient at Shepherd's, she can receive her care here at no cost but will have a tax penalty at the end of the year.

The tax penalty will be either \$195.00 or 2% of her gross annual income, whichever is higher.

SCENARIO 2

- Alice is 54 and works two part time jobs. Neither job offers insurance and she does not qualify for Medicaid.
- She has diabetes, hypertension and asthma. She refills four medications each month, each with a \$20 copay . She has to visit her doctor at least twice a month and pays a \$30 copay each time.

What plan would work best for Alice?

- Because Alice has chronic health conditions, she is told she is eligible to buy a policy, so she should see if she can afford a Silver Plan that covers more of the cost of her care.
- Silver Plans have a higher premium and still have a deductible and copayments.
- Alice needs to see what her actual out of pocket expenses will be each month to be sure she can afford the policy.

What plan would work best for Alice?

- If Alice buys a Silver Plan, her monthly premium may be \$125. Her deductible may be \$2000 a year or higher.
- Until she pays down the entire deductible, she will need to pay a co-payment of \$30 each time for every doctor visit, plus she will be billed for the visit, perhaps \$135.00, more if labs or tests were done.
- The co-pay for each medicine is \$20.00, so \$80 per month. Alice's **total out of pocket per month**, until she reaches her deductible, may be over \$500

What options does Alice have?

If Alice can afford the out of pocket expenses for a Silver plan, she should purchase a policy on the health care exchange.

If Alice cannot afford the out of pocket expenses, and meets the financial and zip code requirements to be a patient at Shepherd's, she can receive her care here at no cost but will have a tax penalty at the end of the year.

The tax penalty will be either \$195.00 or 2% of her gross annual income, whichever is higher.

LEARNING POINTS

- If you are relatively young or healthy, you may want to look for a plan that has lower monthly costs (premiums) and a higher deductible since you will probably not need much care.
- If you are older or managing a health condition, you may want to look at a plan that spreads the cost out from month to month with a higher premium and limits the amount you pay each time you need care or prescription medicines.

Shepherd's Clinic can help....

- You should meet with a navigator from Healthcare Access Maryland to learn if you are eligible to buy a plan on the exchange. A navigator is at Shepherd's by appointment every Tuesday and Thursday
- You should **also** meet with a volunteer insurance counselor at Shepherd's to carefully talk through the out of pocket expenses you should expect to pay and to decide if you want to buy a policy

COMMON PITFALLS DO'S AND DONT'S

- **DON'T OPEN A CREDIT CARD TO PAY FOR YOUR PREMIUMS.**
- **DON'T BORROW MONEY TO BUY INSURANCE**
- **DON'T SKIP YOUR MEDICATIONS OR CHANGE THE DOSAGE TO MAKE THEM LAST LONGER IF YOU ARE TRYING TO SAVE MONEY.**

COMMON PITFALLS DO'S AND DONT'S

Do...

- Visit the HCAM website or meet with a HCAM navigator to learn if you are eligible to buy a plan
- Then, meet with a volunteer insurance counselor to talk through your out of pocket expenses
- Select a plan that the MedStar Kirk Avenue practice participates with if you want to stay here once you are insured
- If you search and can't find a plan you can afford please come back to Shepherd's.

NEXT STEPS

- Go to www.marylandhealthconnection.gov or make an appointment to see the HCAM navigator
- Also make an appointment to see a volunteer insurance counselor at Shepherd's
- Decide what you can afford..
 - If you can afford to purchase a policy, choose a plan, sign up, and select an MCO at MedStar Kirk Avenue if you want to stay at Shepherd's
 - If you decide you cannot afford a policy, make an appointment to become a patient at Shepherd's.

ADDITIONAL INFORMATION

- HealthCare Access Maryland (HCAM) is a nonprofit agency that assists individuals enroll in public health care.
<http://www.healthcareaccessmaryland.org/>
- To check your eligibility for Medicaid or private insurance, go to
<http://marylandhealthconnection.gov>
- Go to www.marylandhealthconnection.gov or call the helpline at 1-800-638-5708

QUESTIONS?

