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A Young Invincibles Initiative

#HealthyAdulthood 101: How Does My Health Insurance Work?

Ok, So What Is Health Insurance?

Health insurance is a contract between you, the consumer, and an insurance provider, usually a private company or government program, to share the costs of medical services that you and your family use over the year.

Accidents can happen to anyone, and medical services are not cheap! Did you know the average cost for a routine check-up could be up to \$200 without insurance? Having health insurance helps shield you from overwhelming medical debt if you get sick or injured. Plus, thanks to the [Affordable Care Act](#), preventive services like yearly check-ups, screenings, and vaccinations are available to you at no additional cost.

Why Do I Need It?

The Affordable Care Act, or ObamaCare, established the individual marketplace (HealthCare.Gov). ObamaCare requires plans sold on the marketplace to be comprehensive, meaning there is a minimum level of coverage that must be included in every plan known as the **10 Essential Health Benefits**. Get peace of mind knowing that your plan will cover you when you need it! These ten categories include:

What's Covered?

- Prescription drug coverage
- Maternity & newborn care
- Outpatient services
- Mental health & substance use disorder services
- Chronic disease management & preventive / wellness services
- Hospitalization
- Lab services
- Emergency services
- Rehabilitative & habilitative services
- Pediatric services

Generally, private health coverage requires you to pay a set monthly bill, called a **premium**, to your insurance provider to maintain enrollment. Depending on your plan, you may also be responsible for out-of-pocket costs known as **cost-sharing**. There are several common types of cost-sharing. The first is a **deductible**, which is a fixed, annual amount that you must pay before your insurance begins to cover your medical expenses.

Another is a **co-pay**, a fixed amount that you pay when you receive certain services, like a doctor's visit. Lastly is **co-insurance** which is similar to a co-pay, but instead of it being a fixed amount, it's a percentage of the bill.

Premiums and out-of-pocket expenses usually work in opposite of each other -- meaning the higher the premium, generally the lower the out-of-pocket expenses and vice versa. If you use a lot of health care services, you may reach your **out of pocket maximum**, or the maximum amount you would pay in a single year for **in-network**, covered services. Once you hit this amount, the insurance provider covers 100% of the rest of your in-network costs.

How Does it Work?

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What are my options for health coverage?

How Young People Access Health Coverage

Health insurance is generally accessed in one of two ways: you have a coverage option offered to you, or you seek out purchasing insurance on your own.

Coverage Offered to You	Coverage You Get on Your Own
A parent's plan	Student health insurance
Job-based coverage	Medicaid
Spouse's plan	Individual/ACA Marketplace

Covered by your parent or guardian's plan:

Stay on your parent's plan until you're 26: If your parent or guardian's insurance plan offers dependent coverage, then you can stay on their plan until you're age 26. Also, former foster youth can stay on Medicaid coverage until they reach age 26 regardless of income.

Your employer or spouse's employer:

Sign up through HR: If your employer offers health insurance, it's likely your best option. A few things to look for: ask your human resources department if the coverage qualifies as "minimum essential coverage." If not, you may qualify for discounted coverage through the ACA marketplace.

Student Health Insurance:

Purchase a plan through your college or university: Most student health plans are now required to meet the same standards as private health insurance plans, and they might be the right option for you based on your needs. Be sure to check out the network of providers available to you, what the student health center covers, and what's covered off campus. Pro Tip: Be sure to look at the cost (usually listed as a student fee) for coverage. You might find a cheaper option on the ACA marketplace.

Individual Marketplace:

Buying an individual plan: If coverage through your parents or a job isn't an option, buying a plan on your own is probably the best next step. Thanks to the Affordable Care Act (ACA), you can find discounted coverage based on your income on HealthCare.Gov.

ObamaCare Plans vs. Other Individual Coverage:

Other options: You can also buy an individual plan outside HealthCare.Gov. Some plans outside the ACA marketplace may appear cheaper than HealthCare.Gov plans, but they won't include the same coverage and protections. Some big examples include no coverage of maternity care, mental health services and prescription drugs. They may also deny coverage of certain benefits to you based on your medical history, and have limits on how much coverage you can use - leaving you vulnerable to big medical bills if you were to get seriously sick.

Medicaid:

Depending on your state, check out Medicaid: 34 states have now expanded their Medicaid programs to include more low-income adults. As a single individual making less than about \$16K/year, you could qualify for Medicaid coverage at no cost to you.

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Affordable Care Act 101: Enrolling in ObamaCare

ObamaCare is the Law of the Land

You may have heard that recent changes were made to the Affordable Care Act (ACA), or ObamaCare. Despite some attempts to repeal the law, the ACA health insurance marketplace is still intact - including key pillars of the law that require all plans to be comprehensive coverage, and that tax credits (or discounts based on income) are available to help lower your costs. **Open Enrollment is November 1st to December 15th** in most states. Don't miss your chance to get covered.

What's Important for young adults?

Stay on your parent's plan until you're 26: If your parent or guardian's insurance plan offers dependent coverage, then you can stay on their plan until you're 26. Also, former foster youth can stay on Medicaid coverage until they reach age 26 regardless of income.

Tax credits: Many low- to middle-income households are eligible for discounts that lower their premiums and out-of-pocket costs (like the deductible). In fact, **85 percent** of current ACA marketplace enrollees receive discounts.

No discrimination for pre-existing conditions: You can no longer be denied coverage or charged a higher amount for having a pre-existing condition. Also, being a woman or transgender is no longer considered a "pre-existing condition."

Free preventive care services: Get your yearly check-ups, as well as vaccines, blood pressure and cancer screenings at no additional cost with your plan.

Women's health benefits: Mammograms, well-woman visits, and breastfeeding support are all included under preventive care - i.e. at no additional cost!

Free contraception: Prescription birth control is also covered for free on most plans.

Student health plan: Most student health plans are now required to meet the same standards as private health insurance plans.

Information needed for enrollment

- Number of people in your household
- Name and birthdate for everyone in household applying for coverage
- Projected annual household income
- Social security numbers, or legal documentation for immigrants
- Policy numbers for any current health plans

What Will it Cost?

Based on your income, you could qualify for a **significant discount** on your monthly premium and out of pocket cost.

- **More than 8 in 10 marketplace enrollees** qualify for a tax credit to lower their monthly costs
- Last year, 4.5 million Americans qualified for a bronze level plans for **\$0 per month**

Need Help Enrolling?

Find expert, in-person help through the **Get Covered Connector Tool:**
connector.getcoveredamerica.org

The screenshot shows the 'FIND LOCAL HELP' section of the Get Covered Connector website. It includes a search bar with fields for 'Enter Your ZIP Code', 'Search Within:' (set to '10 miles'), and 'Language:' (set to 'All'). A 'Search For Help' button is located below the search fields. The website header includes the 'GET COVERED CONNECTOR' logo.

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How to Compare Options in the Individual Market

Not All Plans Are the Same: Know What to Look For

The Affordable Care Act (ACA), or ObamaCare, created several consumer protections to strengthen the quality of health coverage in the individual market. However, recent rules have allowed the expansion of other types of health plans that do not meet all the standards and protections of the ACA. Learn how to compare different options and enroll in the plan that's right for you.

✓ = Must be included with plan

✗ = Not required to be included with plan (may include limited coverage or none at all)

	ACA (ObamaCare)	Short-term plan or temporary insurance	Student health insurance	Association health plan
Free preventive care (no out-of-pocket costs):	✓	✗	✓	✓
Required to cover Maternity Care:	✓	✗	✓	✓ (as long as the small business has at least 15 employees)
Required to cover Mental Health Care Services:	✓	✗	✓	✗
Required to cover Prescription Drugs:	✓	✗	✓	✗
No annual limits or lifetime limits:	✓	✗	✓	✓
Out of Pocket Maximum:	✓	✗	✓	✓
Cannot deny coverage for a pre-existing condition:	✓	✗	✓	✓
How to Enroll	HealthCare.Gov or official marketplace call center: 1-800-318-2596	Directly through an insurer	Directly through a university or college	Available generally through a small business, or to the self-employed
What to Watch for:	It's important to update your income information to be sure you receive the biggest tax credit you may be eligible for. 85% of current enrollees get a tax credit!	Read the fine print! These plans may not cover common services you might expect to use. Make sure to check what benefits are covered carefully before enrolling.	Check the provider network, what's covered off-campus, and compare prices - you might find a cheaper plan through HealthCare.Gov or Medicaid	An association plan might not cover the same benefits found in ACA plans - be sure to check and ask your employer about all your options

Definitions:

Out-of-pocket maximum: The maximum amount you would have to pay in a plan year, once you reach that amount, the insurer pays 100% of the rest of your covered costs.

Annual or lifetime limits: A cap on how much the insurer will cover in a plan year or lifetime. If the plan includes an annual limit and the consumer reaches that amount, the consumer will be responsible for covering 100% of their remaining costs.

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The Affordable Care Act (ACA), or ObamaCare, created several consumer protections to strengthen the quality of health coverage in the individual market. However, recent rules have allowed the expansion of non-ACA compliant plans. Learn how to compare different options and enroll in the plan that's right for you.

What's New: Loose Rules for Short-Term Plans

Short-term health coverage was originally created to fill a gap - and meant to last no more than a few months. Recent changes have allowed "short-term" plans to be sold for up to 12 months, causing some confusion about the difference between these plans and ACA plans available on HealthCare.Gov. Short-term plans tend to have low premiums, and therefore they may seem attractive at first, but be sure you know what you're signing up for!

BUYER BEWARE. Recent studies of these plans show that short-term plans:

- Can **discriminate** based on your medical history
- Allow **annual limits**, meaning the insurer can put a cap on what they will cover in a year
- Allow **lifetime limits** on your benefits, meaning you can "max out" of coverage for life
- Can **decline to cover services** at the time of making a claim, if the insurer decides there were previous symptoms present
- Often **do not cover** key young adult services like: **mental health, maternity coverage and prescription drugs**

Enrollment Checklist:

If you're meeting with an enrollment assister, broker or agent to sign up for health insurance, here are some **key questions** to ask to make sure you get the plan that's right for you:

- Am I eligible for discounts on premium or out-of-pocket costs with this plan?
- Will this plan require me to fill out a medical questionnaire?
- Does this plan cover prescription drugs?
- Could I be denied certain benefits or coverage because of a pre-existing condition?
- Does this plan include annual or lifetime limits on coverage?
- Will my premium be based on any factors other than my age and where I live?
- Will my occupation make a difference?
- Are there providers near me that are covered by my plan?

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Meet Steven

Steven is 27 years old,
living in southwest Houston (77096)
Steven works retail and predicts
he will make about \$27,000 in 2019.
He is not offered employer coverage through his job.
He also has a pre-existing heart condition.

