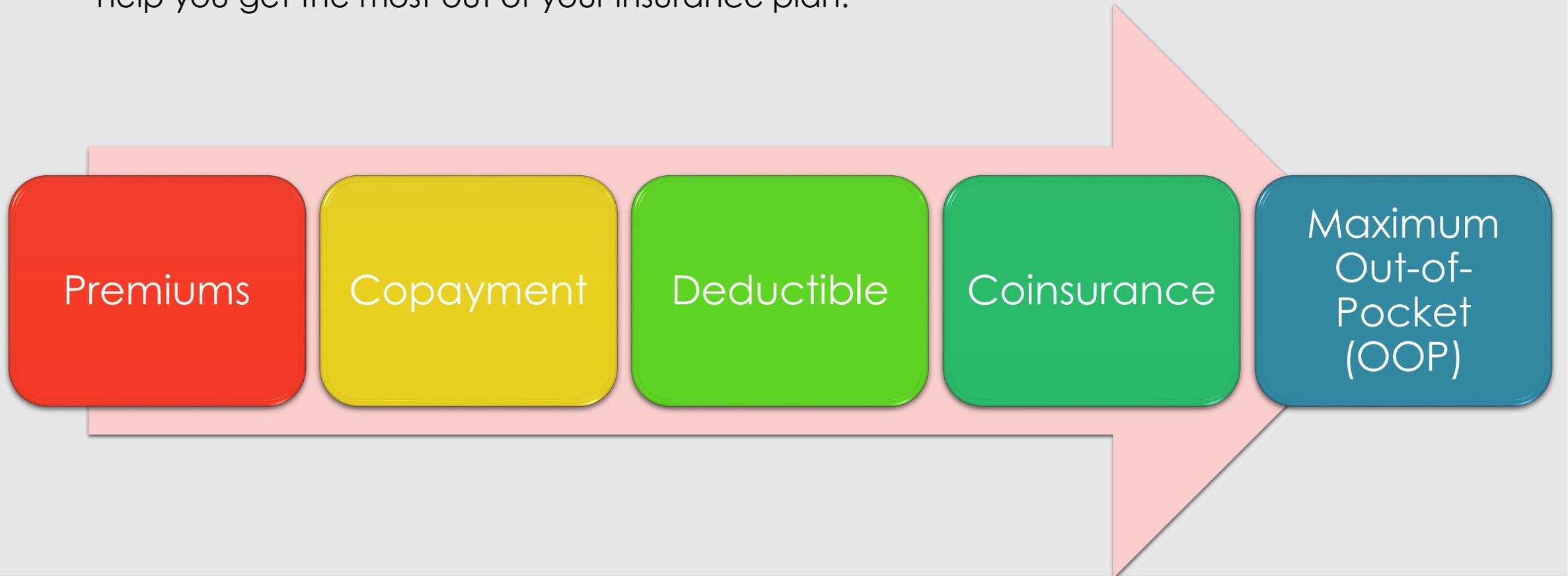




# HEALTH INSURANCE

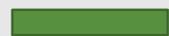
# Understanding Health Insurance

Learning how to use your health insurance and understanding the following terms will help you get the most out of your insurance plan.



# Copayment (Copay)

Copayment - a fixed amount that you are required to pay each time you have a medical encounter. Examples include office visit, prescription, emergency room visit



**Office Visit \$100**

**Copay \$25**

**Insurance \$75**

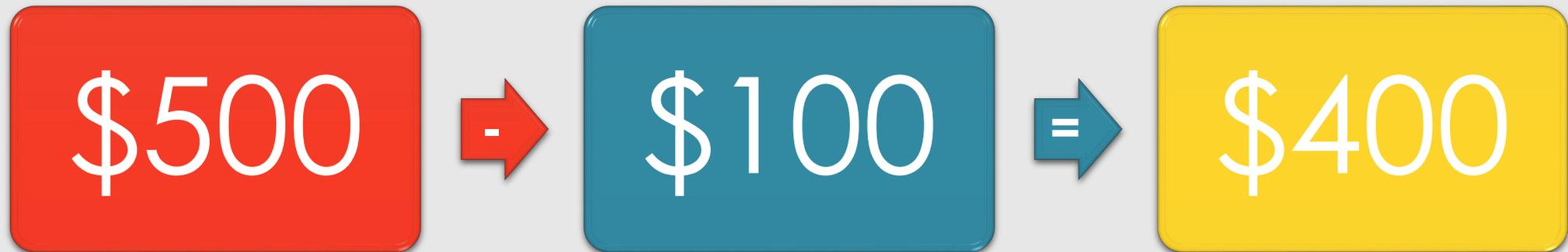
# Deductible

The amount you have to pay out of pocket for healthcare services before your insurance picks up a portion or all of the remaining cost.

**For example: Let's say your deductible is \$500**

**You go to your doctor and the visit is \$100**

**You still have to pay \$400 more to reach your deductible**



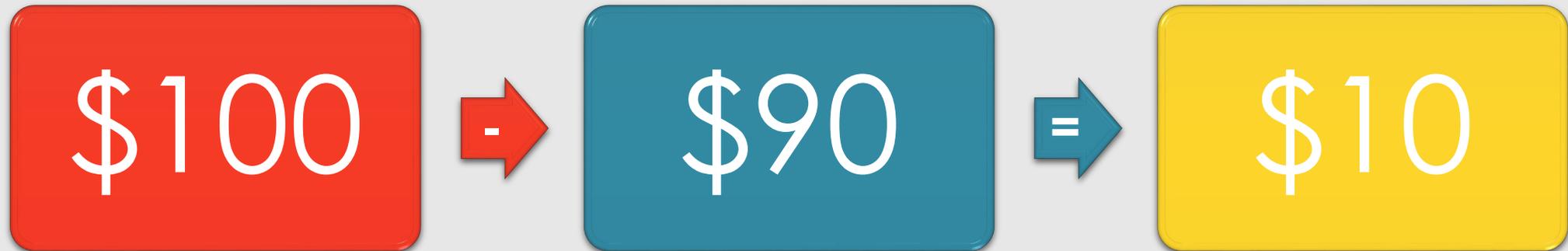
# Coinsurance

The amount you have to pay out-of-pocket for healthcare services after you pay the deductible.

**For example: You reached your \$500 deductible**

**Your coinsurance is 10%.**

**You go to the doctor and your bill is \$100, the plan will pay \$90 and you will pay \$10 coinsurance**

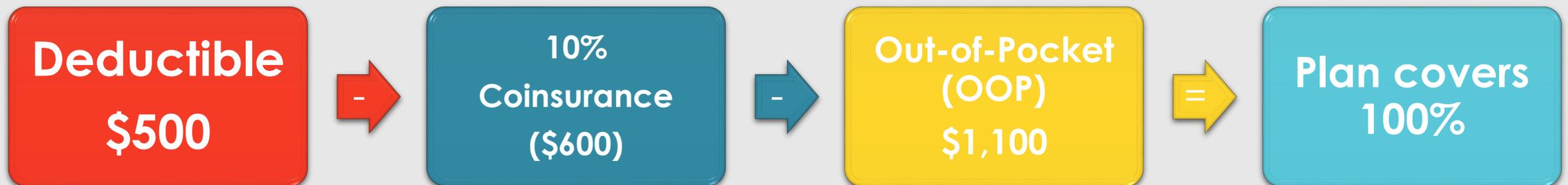


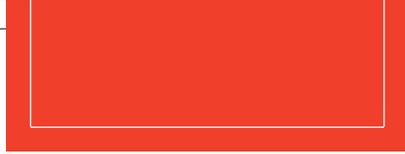
# Maximum Out-of-Pocket (OOP)

The maximum amount an individual is required to pay in a plan year, typically includes deductibles, coinsurance, and copayments.

**For example: Let's say your deductible is \$500 and your Out-of-Pocket is \$1,100**

**You reached your \$500 Deductible. You will pay 10% Coinsurance each time you visit the doctor (\$1,100 – \$500 = \$600) until you reach the Out-of-Pocket Limit of \$1,100. You are then covered 100% once you reach your Maximum Out-of-Pocket Limit**





# PAYING FOR INSURANCE

# Premiums

In employer – sponsored health plans, you and your employer will share the cost of insurance. Premiums are deducted from your paycheck normally semi-monthly (twice a month) or bi-weekly (every two weeks). You may have the option to pay your insurance premiums pretax or after tax.

- **Pretax** – you pay for your medical insurance before any of the federal, state, and other taxes
- **After tax** – you pay for your medical insurance after taxes have already been deducted

Pretax	Salary	Benefits	Taxes	Salary – Benefits – Taxes = Total Pay
	\$2,000 -	\$390 -	\$445 =	\$1,165

After tax	Salary	Taxes	Benefits	Salary – Taxes – Benefits = Total Pay
	\$2,000 -	\$553 -	\$390 =	\$1,057

\*Above is an example, please consult your tax advisor for actual tax savings.



# INSURANCE PLANS

HMO, PPO, and HDHP

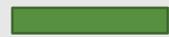
# Health Maintenance Organization (HMO)

- Insurance Premiums are lower than PPO or HDHP
- Pay a Copay each visit
- Healthcare is coordinated through a Primary Care Physician (PCP)
- Must select an HMO Medical Group
- Referral is needed to see a Specialist
- No access to out of network physicians
- Limited to a select number of hospitals, doctors, and specialists
- Preventative Services covered 100%



# Copayment (Copay)

Copayment - a fixed amount that you are required to pay each time you have a medical encounter. Examples include office visit, prescription, emergency room visit



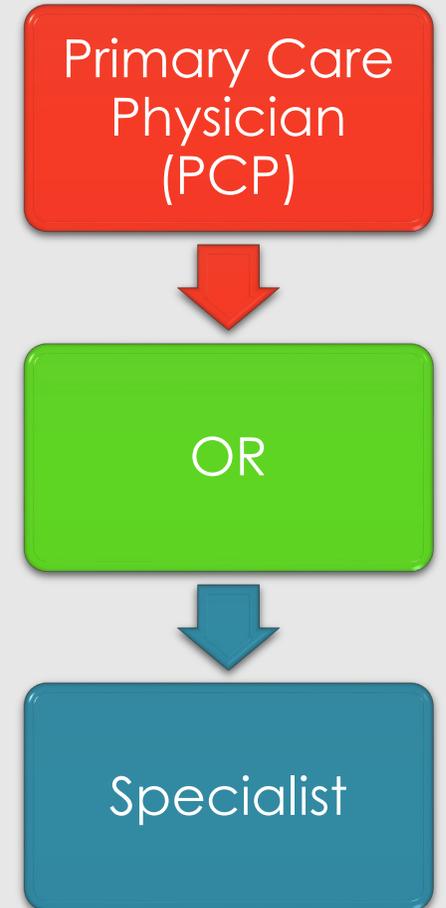
**Office Visit \$100**

**Copay \$25**

**Insurance \$75**

# Preferred Provider Organization (PPO)

- Insurance Premiums are higher than a HMO and HDHP
- Deductible is lower than a High Deductible Health Plan (HDHP)
- You can see a Primary Care Physician (PCP) or Specialist without a referral
- You do not need to select a Medical Group
- Access to out of network physicians (can be balanced billed)
- Wider network of hospital, doctors, and specialists
- Preventative Services are covered at 100%

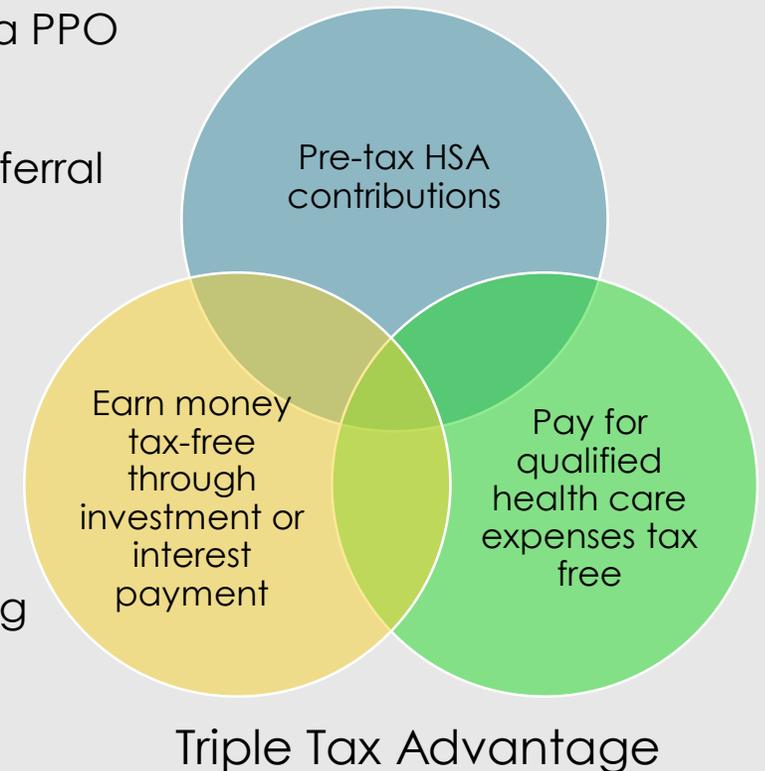


# Example Plan



# High Deductible Health Plan (HDHP)

- Insurance premiums are usually higher than an HMO, but lower than a PPO
- Deductible is higher than PPO
- You can see a Primary Care Physician (PCP) or Specialist without a referral
- You do not need to select a Medical Group
- Wider network of hospital, doctors, and specialists
- Access to out of network physicians (can be balanced billed)
- Contribute funds into an HSA Account (up to the IRS limit)
  - Funds roll over year after year
  - Funds go with you when you leave your employer
  - Use funds for health, dental, vision expenses like a Flexible Spending Account
- Preventative Services Covered at 100%



# Example Plan



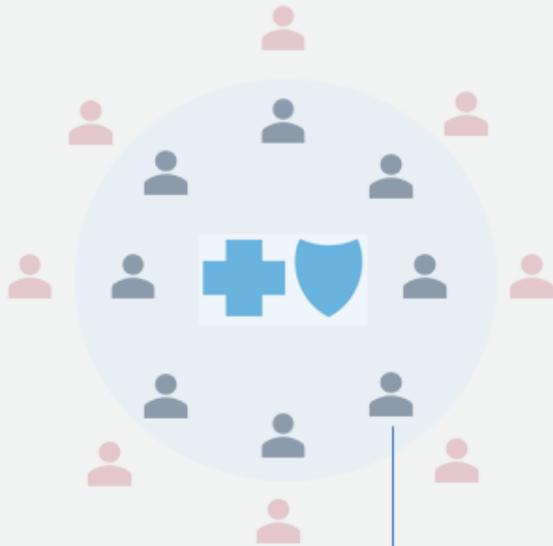
# In Network and Out-of-Network

- **Network** - the doctors, facilities, and hospitals that are contracted to participate with your insurance company
  - **In-Network Provider** - a provider or facility that participates with or is under contract with your health insurance provider. By using a network provider, your share of the cost will be lower.
  - **Out-of-Network Provider** - a provider or facility that does not participate with or is not under contract with your health insurance provider. When using an out-of-network provider, your cost share is higher. In addition, out-of-network providers can balance-bill for the remaining cost not allowed by your insurer.
- **Balance-Billing** - a method by which out-of-network providers charge the consumer for the cost of service not covered by the insurer

# STAY In-Network!!

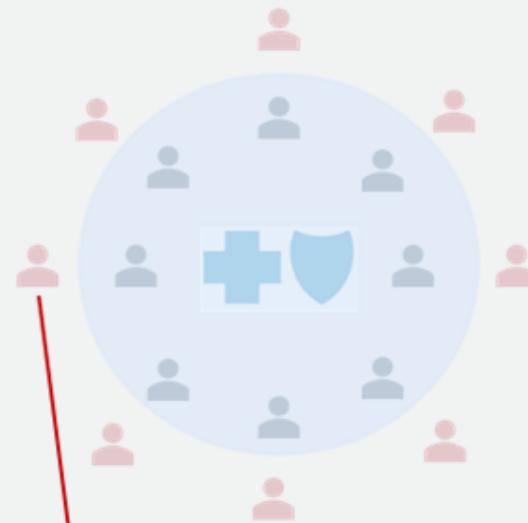
Below is an example of how you can save money by staying in-network.

## In-Network



- Total charge \$250
- The discount is **\$75**
- BCBS pays \$140
- **Balance/member pays \$35**

## Out-of-Network



- Total charge \$250
- The discount is **\$0**
- BCBS pays \$140
- **Balance/member pays \$110**

# PCP, Urgent Care, and ER

## Who should I see if I am not feeling well?

- **PCP – Primary Care Physician**

- If you are not feeling well or begin to develop symptoms that are not urgent talk to your Primary Care Physician first. If you don't have a PCP your insurance provider can help you find one that is in-network.

- **Urgent Care**

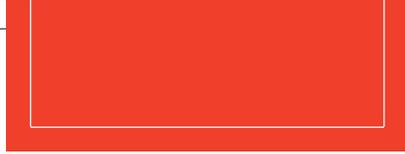
- If your not feeling well and you need to see a doctor as soon as possible, Urgent Care might be the best alternative to the Emergency Room. The wait is usually shorter and they can treat almost any ailment. Call your insurance provider so they can help you locate an in-network facility

- **Emergency Room**

- If you have life threatening symptoms go directly to the Emergency Room. You will want to check your plan to see how the Emergency Room visit is covered. Some plans will waive the copay if you are admitted.

# Important Insurance Documents

- **Summary of Benefits** - provides a summary of your plan, including what is covered and how the plan works
- **Certificate of Coverage** - provides detailed information on services that are covered or not covered
- **Explanation of Benefits (EOB)** - a document that lays out details of a provider's charges for services received, the amount covered by your insurance, and your portion of the cost



# INSURANCE CHANGES

# Insurance Plan Changes

You are able to make changes to your insurance plan(s) due to a Life Event or during annual Open Enrollment

- **Life Event** - a major triggering event (marriage, relocate, birth, job change, death etc.) that may allow you to make changes to your health plan outside of the open enrollment period



- **Open Enrollment** - the defined period of time when you may enroll in an employer-sponsored health care plan or change your health insurance coverage for the upcoming plan year

Questions??

