



A Quick Guide to
Health Insurance

MAXIMUS | Center for
Health Literacy

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This symbol shows information about government programs including Medicaid.



Click on **bold orange** words to learn what they mean.



When your life is in serious danger and you need care right away, go to an **emergency** room or call **911**.



How health insurance helps you

A big part of staying healthy is getting health care. Health insurance helps you get health care by:

- Giving you free **preventive care**, like check-ups and shots
- Lowering your costs to get the health care services you need
- Limiting your total health care costs each year

When you have health insurance, you and your health plan share your health care costs. You pay for your plan, and your plan helps pay for your costs.

Your **health plan** is the package a health insurance company offers to manage and lower your costs. This includes health care services and a **network** (group) of **providers**. Your **coverage** is all the health care services your health plan pays for. Your **benefits** are the health care services included in your health plan's coverage.

Many people can get help paying for health insurance. To find out if you qualify, go to [Get help paying for health insurance](#) in this Guide.



Find the health insurance that's right for you

Here are a few simple steps to find and get the right health insurance — at the right price — for you and your family. You can sign up for health insurance during **open enrollment** or when you have a **qualifying life event**. Open enrollment is often in the fall.

First, find out what kind of health insurance you qualify for.

- If you work, ask your employer about getting health insurance from your job.
- If you can't get health insurance from your job, or if you need help paying for health insurance, visit the **Health Insurance Marketplace**. The Marketplace is a service where you can shop for and buy health insurance online, over the phone, or with in-person help. The Marketplace also helps people find out if they qualify for government programs or for help paying for insurance. To learn more, call 1-800-318-2596 (TTY: 1-855-889-4325) or visit healthcare.gov/get-coverage.
- If you prefer a Marketplace plan over the insurance you get from your job, you may be able to change to a Marketplace plan. But you probably won't qualify for help paying for coverage.
- To find out if you qualify for help paying for insurance or for government programs like **Medicaid**, **Medicare** and the **Children's Health Insurance Program (CHIP)**, go to [Get help paying for health insurance](#) in this Guide. You can apply any time for Medicaid for adults and families, and for CHIP for children. If you are age 65 or older, or if you have a disability, you can get Medicare.



If you are shopping for health plans in the **Health Insurance Marketplace**, **here's what to do:**

- **Compare plans.** Think about your health care needs and the services you use when comparing the **benefits** of each plan. To find out what plans you can get in your state, visit [healthcare.gov/get-coverage](https://www.healthcare.gov/get-coverage).
- **Compare costs.** The total cost of your health care coverage includes **premiums** and **out-of-pocket costs** like **deductibles** and **co-pays**. The less you pay for your monthly premium, the more you usually pay for out-of-pocket costs. To learn more, go to [Know your health insurance costs](#) and [Compare Marketplace health plan levels](#) in this Guide.
- **Check your providers.** Make sure all health care **providers** you want to use for care are in the health plan's network.
- **Choose your plan.** Enroll in the health plan that's right for you. You'll need to pay your first premium to complete enrollment. After you pay your first premium, your health plan will send you an insurance card and information in the mail. This summary of benefits and coverage will show all of your health plan details.

Some states have their own Health Insurance Marketplace. In other states, you can go to the federal government's Marketplace. If you're not sure what type of Marketplace your state uses, visit [healthcare.gov/get-coverage](https://www.healthcare.gov/get-coverage).



Know your health insurance costs

With health insurance comes different types of costs. These costs are often less than what you pay if you need medical care and do not have health insurance.

Your **premium** is the amount you pay to keep your insurance. The money you pay for a health care service is called an **out-of-pocket cost** and may include a:

- **Deductible**
- **Co-pay**
- **Co-insurance**

Your plan will have an **out-of-pocket limit**. Once you reach that limit, you will not pay any more out-of-pocket costs that year.



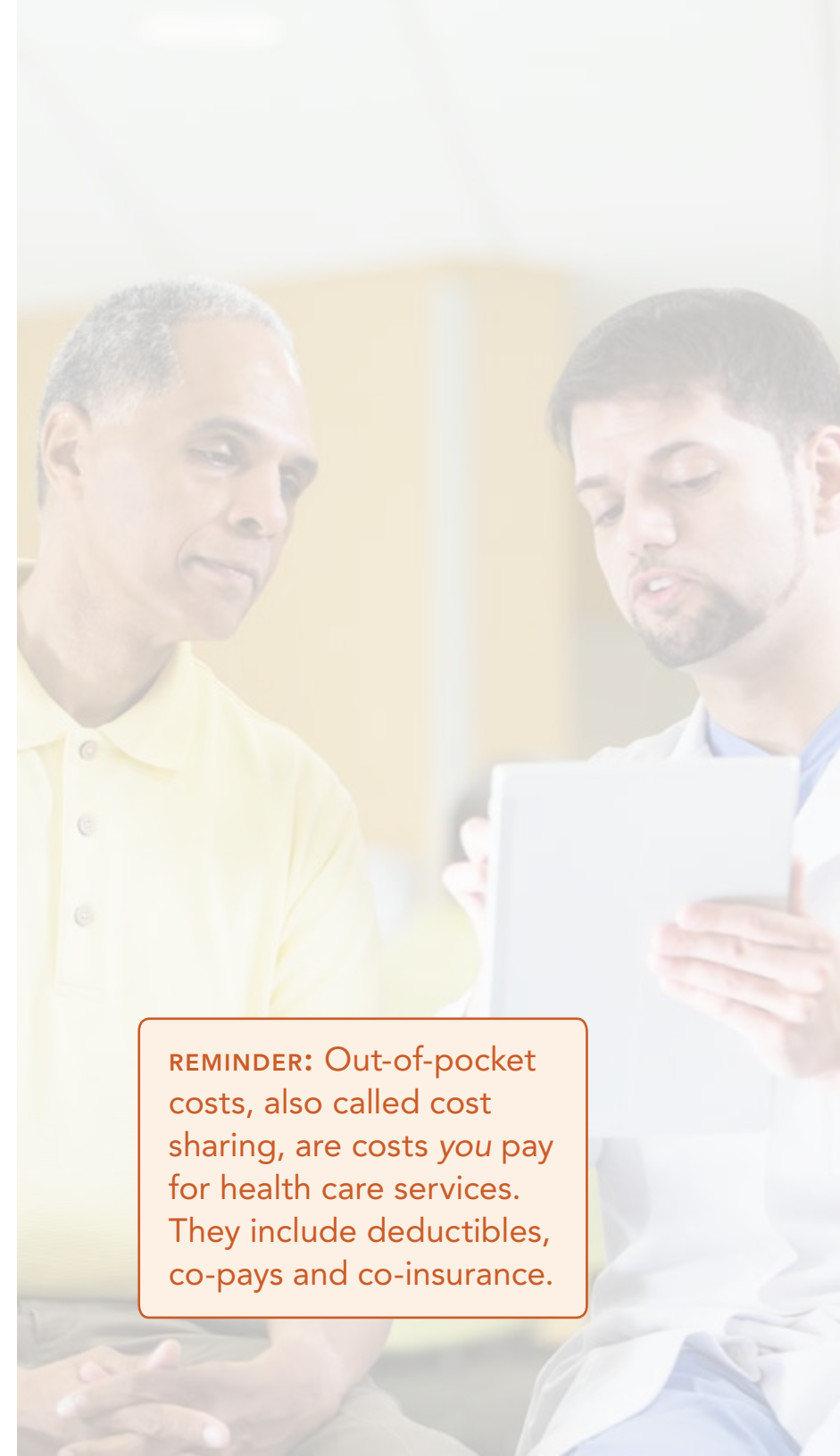
Compare Marketplace health plan levels

Most Marketplace **health plans** have four levels to choose from. These **levels** make it easier for you to compare plans. To choose a level, think about how often you use health care services. This chart will help you choose the best level for you:

Level	Bronze	Silver and Gold	Platinum
How it works:	You pay the lowest premiums but the highest out-of-pocket costs.	You pay higher premiums but lower out-of-pocket costs.	You pay the highest premiums but the lowest out-of-pocket costs.
May be best for you if:	<p>You do not use many health care services, except for preventive care.</p> <p>You would rather pay less for your premium each month and pay more for services you get.</p>	<p>You use some health care services and don't want to pay high out-of-pocket costs.</p>	<p>You use a lot of health care services, like doctor visits and prescriptions.</p> <p>You would rather pay a higher premium each month so you pay less in out-of-pocket costs when you get services.</p>

To learn more, go to [Know your health insurance costs](#) in this Guide.

BACK ↩



REMINDER: Out-of-pocket costs, also called cost sharing, are costs you pay for health care services. They include deductibles, co-pays and co-insurance.

How to use your health insurance

- **Pay** your **premium** on time every month to keep your coverage.
- **Choose** a **provider**. To help you find a provider, ask the people you trust. You can also get information about providers on the Internet. Using a provider in a plan's network will cost you less than using one not in a plan's network.

If you have **Medicaid**, you'll need to find a provider that takes Medicaid.
If you have **Medicare**, you'll need a provider that takes Medicare.



- **Visit** your provider when you need preventive care, like a check-up, or when you're sick. If you need care right away, go to an **emergency** room or call **911**. If it's not an emergency:
 - » **Make an appointment.** Tell them if you are a new patient. Ask if they take your health insurance. Tell them the name of the provider you want to visit and why you want an appointment.
 - » **Be ready for your visit.** Have your health insurance card and ID with you. Know your family health history. Bring lists of medicines you take and questions you want to ask. Be ready to pay a **co-pay** at your visit.



- **After** your visit:
 - » Your provider will send a bill to your health plan.
 - » Your plan will send you an **Explanation of Benefits (EOB)**. It shows how much of the bill they paid, if any.
 - » Your provider will send you a bill for the amount you must pay. If the bill doesn't show how much the health plan paid, call your provider to check how much you owe.
 - » You will send your payment to your provider.

If you disagree with a decision, like how much you must pay for a health care service, you can file an appeal. An **appeal** is a request to have a decision about your health plan benefits reviewed.



Essential health benefits

Most health plans must help pay for these 10 **essential health benefits**:

- Preventive care (to help you stay healthy)
- Regular doctor visits
- Emergency care
- Hospital stays
- Lab tests
- Prescription drugs
- Treatment to get your body working after being sick or hurt
- Care for mental health and substance use
- Care for you and your baby before and after your baby is born
- Care for children, including dental and vision care



Get help paying for health insurance

You may be able to get help paying for health insurance. There are three ways to get help:

- **Lower costs for monthly premiums.** **Premium tax credits** lower the cost of your monthly health plan premium. To get a tax credit to help pay your monthly premium in advance, you must agree to file taxes. Your tax credit amount depends on your estimated family size and income for the next year.
- **Lower costs for health care services.** **Cost sharing reductions** lower the amount of out-of-pocket costs you pay when you get health care. The amount you save depends on your income and family size.
- **Government programs.** Government programs like **Medicaid** and **CHIP** pay most health insurance costs for people who qualify. Each state decides who qualifies in their state and what, if anything, the person will pay. States use the **Federal Poverty Level (FPL)** to decide how much a person or family can earn each year and still qualify.

If you are age 65 or older, or if you have a disability, you can get government-paid health insurance called **Medicare**.



The help you get may depend on:

- Your income, which includes money you make from jobs and other tax-exempt income
- The size of your family
- Whether you are a U.S. citizen or legal resident
- Whether you were recently in jail or prison
- Where you live (your state, territory or tribal region)

The **Health Insurance Marketplace** helps people find out if they qualify for government programs or for help paying for health insurance. To learn more, visit healthcare.gov/get-coverage.

If you don't have **minimum essential coverage**, you may have to pay a **penalty** at tax time.



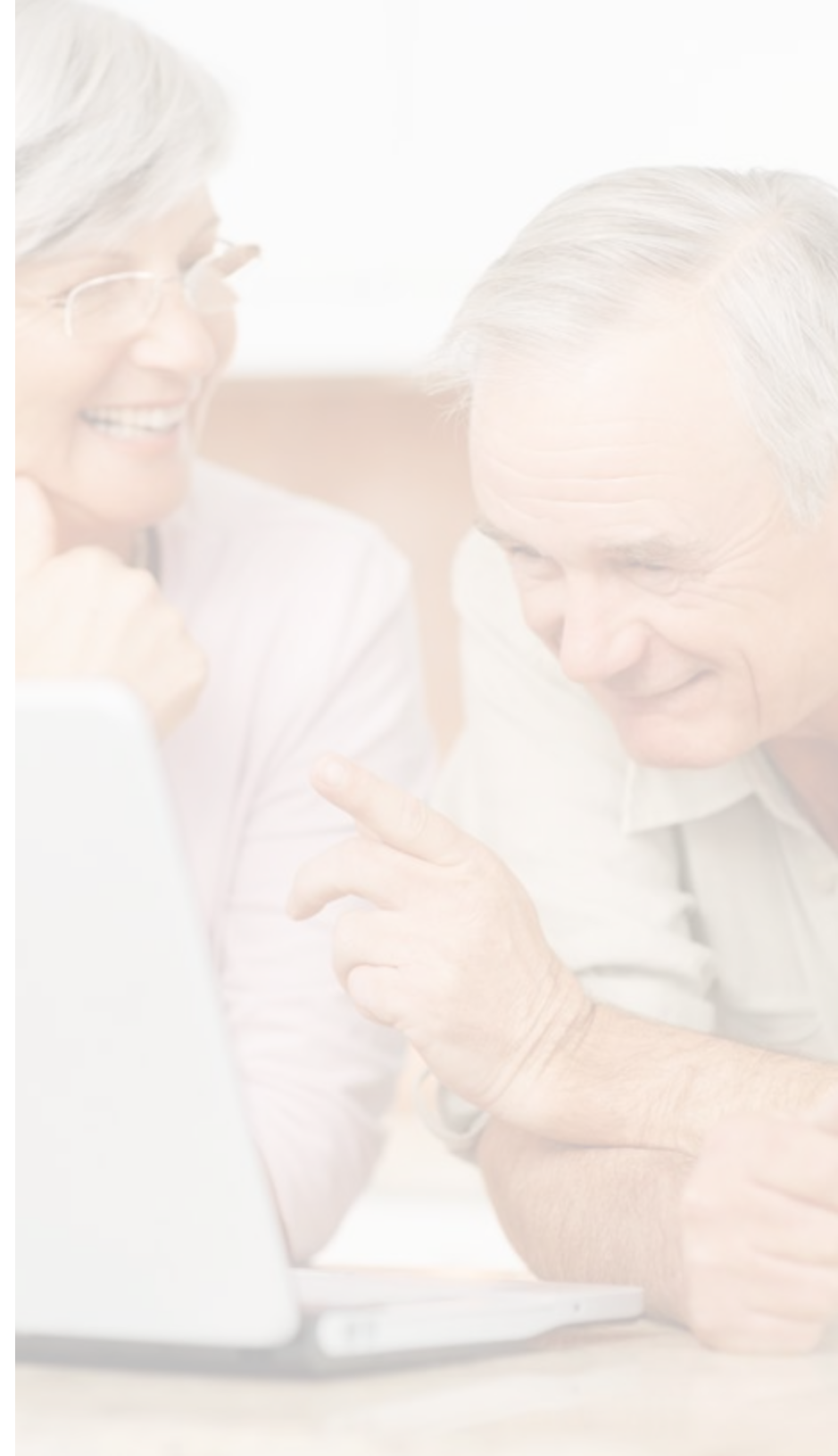
Where to go for help

To learn more about health insurance online, visit:

- [HealthCare.gov](https://www.healthcare.gov)
- [GetCoveredAmerica.org/get-covered-101](https://www.getcoveredamerica.org/get-covered-101)

To find places to learn more about health insurance in person, visit:

- [LocalHelp.HealthCare.gov](https://www.localhelp.healthcare.gov)
- [GetCoveredAmerica.org/Connector](https://www.getcoveredamerica.org/connector)



Terms to know

Affordable Care Act (ACA), also called **Obamacare** – A law passed in 2010 that made many changes in how Americans get health insurance. It also helps people pay less for it.

Appeal – A request to have a decision about your health plan benefits reviewed. Often, appeals ask the plan to review its decision to deny payment for a health care service or treatment.

Benefits – The health care services included in your health plan or program coverage.



Children's Health Insurance

Program (CHIP) – A government health insurance program that offers coverage to children in low-income families. In some states, CHIP also covers pregnant women in families who make too much money to qualify for Medicaid but can't afford private health insurance. Both the state and federal governments pay for CHIP.

Co-insurance – Your share of the cost of certain health care services. You pay a percentage (part) of the cost instead of a set cost like a co-pay. The amount you pay depends on the total cost of the service. Your health plan pays the rest. You usually start to pay co-insurance after you've met (paid) your deductible each year.

Co-pay – A set cost you pay for certain health care services. For example, you may pay \$15 for a doctor visit. Not all services have a co-pay. You usually start to pay co-pays after you've met (paid) your deductible each year.

Cost sharing – See **Out-of-pocket costs**.

Cost sharing reductions – Money the government pays to help with out-of-pocket health care costs for people who qualify.

Coverage – All the health care services your health plan or program pays for. To get coverage, you sign up with a health insurance company, a group health plan offered at your job or a government program like Medicare, Medicaid or CHIP.

Deductible – The amount you must pay for your health care each year before your health plan starts paying for health care services. Some services may not count toward your deductible. They may be free or just have a co-pay, even if you haven't met (paid) your deductible for the year.

Emergency – When your life is in serious danger and you need care right away. Examples include severe pain or a sudden, serious illness.

Essential health benefits – The 10 kinds of health care services **most** health plans must cover under the Affordable Care Act.

Explanation of Benefits (EOB) – After you visit a doctor, clinic or hospital, your health plan sends you and your provider an EOB that shows how much of the bill they will pay.



Federal Poverty Level (FPL) – How much a person or family can earn each year and still qualify for certain government programs, like Medicaid and CHIP. The government decides what the FPL is each year.

Fee – See **Penalty**.

Fine – See **Penalty**.

Health Insurance Exchange – See **Health Insurance Marketplace**.

Health Insurance Marketplace, also called **Marketplace** or **Health Insurance Exchange** – A service where people can:

- Learn about their health plan choices
- Compare plans based on costs, benefits and other things
- Choose a plan
- Enroll in a plan

The Marketplace also helps people find out if they qualify for Medicaid or for help paying for health insurance. Some states have their own Health Insurance Marketplace. In other states, you can go to the federal government’s Marketplace. To learn more, visit healthcare.gov/get-coverage.

Health plan, also called **plan** or **managed care plan** – The package a health insurance company offers to manage and lower your costs. This includes health care services and a network of providers.

Health plan levels – There are four levels

of Marketplace health plans: Bronze, Silver, Gold and Platinum. The levels are based on the **average** percentage (part) the plan pays of the overall cost for members’ essential health benefits. Your total cost for coverage each year depends on the level you choose. The average percentages the plans will spend are:

- Bronze – 60%
- Silver – 70%
- Gold – 80%
- Platinum – 90%

Managed care plan – See **Health plan**.

Marketplace – See **Health Insurance Marketplace**.

Maximum out-of-pocket cost – See **Out-of-pocket limit**.



Medicaid – A government health insurance program that pays most coverage costs for people who qualify. Some states have their own name for Medicaid, like “Medi-Cal” in California. Medicaid offers health insurance for some low-income people, families and children, pregnant women, the elderly and people with disabilities. In some states, the program covers all low-income adults below a certain income level.



Medicare – A government health insurance program for people 65 years old or older, some younger people with disabilities and people with permanent kidney failure needing dialysis or a transplant. To learn more, visit [Medicare.gov](https://www.medicare.gov).

Minimum essential coverage, also called **qualifying health coverage** – Any health plan that meets federal rules for health coverage. If your plan does not qualify as minimum essential coverage, you may have to pay a penalty at tax time.

Network – The group of doctors, other providers and places that work with your health plan to give you health care services.

- **In-network** – Part of the network. If you get in-network care, it will cost you less.
- **Out-of-network** – Not part of the network. If you get out-of-network care, you may have to pay all or part of the cost out-of-pocket.

Obamacare – See **Affordable Care Act (ACA)**.

Open enrollment – The time when people can enroll in a health plan each year. People may enroll outside of this time if they have certain life events like getting married, having a baby or losing other coverage. ACA’s open enrollment is usually from early November through January or February.



You can apply for Medicaid or CHIP at any time of the year.

Out-of-pocket costs, also called **cost sharing** – Money you pay for health care services. These costs include deductibles, co-pays and co-insurance.

Out-of-pocket limit, also called **out-of-pocket maximum** or **maximum out-of-pocket cost** – The most you pay in one year for health care services covered by your health plan. Once you pay this amount, your plan pays for all of your covered services for the rest of the year. You still need to pay your premium each month. Different plans count different costs toward your out-of-pocket limit.

Out-of-pocket maximum – See **Out-of-pocket limit**.

Penalty, also called **fee** or **fine** – Money you may have to pay at tax time if you do not have health insurance.

Plan – See **Health plan**.

Premium – The amount you pay for your health plan. It is usually paid monthly. You pay this cost whether or not you use health care services. If you get health insurance from your job, your employer may pay some or all of your premium cost. You may also qualify for other help paying your premiums.

Premium tax credit – Premium tax credits lower the cost of your monthly health plan premium. To get a tax credit to help pay your monthly premium in advance, you must agree to file taxes.

Your tax credit amount depends on your estimated family size and income for the next year. At tax time, you must report your actual family size and income for the year.

If your income was *lower* or your family was *bigger* than your estimate, you might get money back in your tax return. If your income was *higher* or your family was *smaller* than your estimate, you might have to pay back part of your tax credit.

Preventive care – Health care services that keep you from getting sick and help you stay healthy, like check-ups and shots. Most health plans cover some preventive health care services at no cost to you.

Provider – A doctor, health care professional or place, like a hospital or clinic, that gives you health care treatments and services. Your **primary**

care provider (PCP) is the in-network provider you usually go to for preventive and non-emergency care. Your PCP can refer you to specialists.

Qualifying health coverage – See **Minimum essential coverage**.

Qualifying life event – A life change that allows you to enroll in a health plan during a special enrollment time. Examples of qualifying life events are moving to a new state, some changes in your income, changes in your family size (for example, if you marry, divorce or have a baby), and becoming a member of a federally recognized tribe.