

Health Insurance Introduction

Health Insurance can be confusing, so let's take it one step at a time and get started with some foundational concepts that will support you in making informed decisions.

What is Health Insurance?

- Health insurance is a way to help you manage health care costs. It covers certain medical costs for illness, injuries, or other conditions.
- Depending on your plan, you will pay your health insurance company a monthly rate and they will pay for some or all of your medical costs.
- Be sure to talk with your health insurance company about any questions or concerns you may have about your options.

What Does Health Insurance Cover?

- Examples of what is typically covered by health insurance: **Doctor's visits, in-patient and out-patient hospital care, and prescription drug coverage.**
- What is covered by a health plan will vary by type of insurance and the plan you choose.

Who Provides Health Insurance?

There are many different sources of health insurance.

Employer-Sponsored	Individual / Marketplace	Medicaid	Medicare	Military
Insurance provided by employers for their employees and paid for by the employer, or joint employer-employee contributions	A service, created by the Affordable Care Act, where you can shop for and enroll in medical insurance online, by phone, or with help from a trained agent	A state-run program that provides free or low-cost healthcare coverage to eligible people	A health insurance program for people 65 and older, some people under the age of 65 with certain disabilities, and people of any age with end-stage renal disease or ALS	Includes medical insurance through active military services, or provided to retired service members receiving insurance through TRICARE or Veterans Affairs (VA)



Health Insurance Introduction

What Types of Health Insurance Plans Are There?

Fee-for-Service

- A health care provider is paid a fee for each service provided.
- With these plans, you can go to any provider willing to see you. You pay for a portion of your care, and the health insurance company pays the rest.

Managed Care

- Health care providers contract with a health insurance company to be a part of its network.
- If you go to a health care provider in the network, they have agreed to a certain payment rate for treating you, also called the "allowed amount."
- You typically pay a portion of the allowed amount, depending on your plan.

What is In-Network vs. Out-of-Network?

- **In-Network:** Refers to health care providers who have a contract with your health insurance company to provide you with care or services at a discounted rate. In-network costs are usually less expensive for you than out-of-network costs.
- **Out-Of-Network:** Refers to health care providers who do not have a contract with your health insurance company to provide you with care or services at a discounted rate. Out-of-network costs are usually more expensive for you than in-network costs.

What are Common Types of Managed Care Plans?

Your health insurance card should tell you what type of plan you currently have!

- **Health Maintenance Organizations (HMOs):** Your health care services start with your primary care physician. You usually need a referral for your care to be covered with specialty health care providers, except in an emergency. Generally, HMOs have smaller networks of health care providers, and health care providers outside of the network will not be covered. While you may have less choice in providers, HMOs are often less expensive.
- **Preferred Provider Organizations (PPOs):** Generally, you do not need to start with your primary care physician. While most PPOs have some out-of-network coverage, staying inside the network means lower out-of-pocket costs. Typically, PPOs cost more than HMOs, but you have more choice and control.
- **Exclusive Provider Organizations (EPOs):** Generally, you do not need to start with your primary care physician. Typically, EPOs have larger provider networks than HMOs, but will not pay for any services obtained outside of the network.
- **Point of Service (POS) Plan:** In general, think of a POS plan as an HMO that covers out-of-network doctors. POS plans typically come with higher premiums than HMOs.



Health Insurance Introduction

How Do You Read an Insurance Card?

Let's walk through what information is commonly on a health insurance card.

Please Note your card may look different and contain different information depending on your specific plan.

Front

Name and logo of your health insurance company

Member ID and Group Number are the numbers health care providers use to check and process your medical coverage

Name of your primary care provider and their contact information

The amount you will pay for some types of covered services



ABC Health Insurance

Member Name: John Doe
Member ID: ZYX123456789
Group Number: 12345678
PCP Name and Phone Number:

Dr. Smith, Office: 1-234-567-8910

Copays:

PCP: \$xx
 Specialists: \$xx
 ER: \$xx

Coverage Type

The type of plan you have, such as a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO)

RxBIN: 001234
RxPCN: XX
RxGRP: RX12345

Prescription drug plan information, used to check and process coverage for prescription drugs

For a closer look at health insurance financial terms and prescription drug terms, visit the ["Words that Matter for Health Insurance" micro-module](#)

Back

Phone numbers to contact your health insurance company

Your health insurance company's website to find information and use available online resources

Customer Service: 1800-xxx-xxxx
Prior-Authorizations: 1-800-xxx-xxxx
Hearing or speech impaired (TTD): 1800-xxx-xxxx
Website:

Mail Claims to: ABC Health Insurance
 123 Main Street
 Example City, State Zip Code

Possession of this card does guarantee coverage.

Your health insurance plan's address

There may be legal disclaimer statements

