Understanding Your Health Insurance Options

Topics for Discussion

- Understanding Health Insurance Terms
- Examples of Health Insurance Options
- Understanding Co-pay Accumulators/ Maximizers and Alternative Funding Programs
- When You Can Change Your Health Insurance Plan
- Tips for When You Are Thinking About Changing Your Health Insurance
- Example Situations: Deciding Between Health Insurance Plan Options

Understanding Health Insurance Terms

Health Insurance Can Be Complicated to Navigate

A 2019 poll of 1,500 U.S. adults showed[1]:

> 1 in 4 people are uncertain about their coverage which led them to avoid treatment

Another poll of 1,292 U.S. adults showed[2]:

Only **16%** could **figure out** their out-of-pocket costs

48% scored **less than 70%** on a quiz about health insurance terms and concepts

Learn Common Terms Related to Health Insurance Costs[1]

Premium
The amount you pay your health insurance plan for coverage

Deductible
The amount you pay for health care services or medicines before your health insurance plan begins to pay

Co-insurance or co-pay
An amount you have to pay for health care services or medicines

Out-of-pocket costs
The amount not paid by the health insurance plan that you must pay for your treatment

Out-of-pocket maximum
The most you will have to pay for health care services or medicines each year

Network
The group of doctors and hospitals that have a contract with the health insurance plan

Learn Common Terms Related to Health Insurance Coverage

Medical benefit
Coverage for doctor visits, hospital visits, and other services like tests. May also include medicine you get at the doctor's office[1]

Pharmacy benefit
Coverage for prescription medicines you take yourself (such as pills or self-injections)[1]

Formulary
A list of prescription drugs covered by the health insurance plan[2]

Prior authorization
The health insurance plan must provide approval before covering a medicine[2]

Step edit
Requires a lower cost drug to be tried and failed before moving up to a similar, more expensive drug[3]

New Terms on Some Health Insurance Programs

Co-pay accumulators and maximizers[1]

Accumulator—The co-pay assistance program pays for your prescriptions until all of the funds are used up; then you have to pay your deductible for all of your prescriptions after that

Maximizer—The co-pay for your prescription is increased to match the amount provided by the co-pay assistance program. If you do not use the co-pay assistance program then you will have an increased co-pay

Alternative funding programs[2,3]

Combine a specific lack of coverage with a program to leverage patient assistance programs to cover the cost of treatment

Examples of Health Insurance Options

There Are 2 Main Types of Health Insurance[1]

Commercial or private insurance
is a plan you get from a private health insurance company.

Government-sponsored or public insurance
is a plan you get from the federal or state government.

Keep in Mind There Are Several Options for Commercial Insurance

Plan Type[1,2]

- **Affordable Care Act (ACA) Health Insurance Marketplace qualified health plan (QHP)**
  You can purchase insurance through the state or federal government
- **High-deductible health plan (HDHP)**
  Has lower premiums and higher deductibles

Network Structure[3]

- **Exclusive provider organization (EPO)**
  Covers only some doctors and hospitals, except in an emergency. Sometimes require a primary care doctor but not a referral for a specialist
- **Health maintenance organization (HMO)**
  Covers only some doctors and hospitals, except in an emergency. Requires a primary care doctor and referrals to see specialists
- **Preferred provider organization (PPO)**
  Has lower costs for in-network doctors and hospitals
- **Point of service (POS)**
  Combines some features of HMOs and PPOs

There Are Several Types of Government-Sponsored/Public Insurance[1-4]

Medicaid
State health insurance for low-income families and children, pregnant women, the elderly and people with disabilities

Medicare
Federal health insurance for people who are 65 years or older, have certain disabilities or end-stage renal disease

TRICARE
Health program for active duty and retired uniformed service members and their families

Veterans Health Administration (VHA)
Health program for veterans

Medicare Has 4 Parts That Cover Different Types of Medical Care[1]

A — Hospital insurance
Inpatient care, skilled nursing facilities, hospice, home health care

B — Medical insurance
Health care provider services, outpatient care, home health care, durable medical equipment, preventive services

C — Medicare Advantage
An "all in one" replacement for Medicare FFS run by private health insurance companies, which includes Part A, Part B and usually Part D

D — Prescription drug coverage
Run by private health insurance companies

Original Medicare or Medicare Fee-for-Service (FFS) (Parts A and B)

People with Original Medicare can buy supplemental insurance to cover other costs— Medigap is one of the options.

Some Examples of Other Types of Health Insurance

Short-term health insurance[1]
Temporary insurance for a transition period in your life

Primary care membership[2]
Some doctors offer certain services for a flat monthly fee

Medical cost-sharing program (Medi-Share)[2]
Members pay a monthly fee to pool resources for medical costs

Limited-benefit plans[3]
Offer fewer benefits and lower premiums than regular health insurance

Health savings account[4]
Pretax payments made into an account that can be used for medical costs only

Medical services discount card[4]
Available for people who self-pay for health care costs

Understanding Co-pay Accumulators/Maximizers and Alternative Funding Programs

Understanding Co-pay Accumulators and Maximizers

What they target[1]:

Brand-name specialty medications that are eligible for drug manufacturer co-pay assistance

What they do[1,2]:

Co-pay accumulators– The co-pay assistance program pays for your prescriptions until all of the funds are used up; then you have to pay your deductible for all of your prescriptions after that
Co-pay maximizer– The co-pay for your prescription is increased to match the amount provided by the co-pay assistance program. If you do not use the co-pay program then you will have an increased co-pay

Please note, the manufacturer co-pay program payments don't count toward your deductible or out-of-pocket maximum[2]

Potential impact[1,2]:

Co-pay accumulators– you may pay more for your prescriptions and be confused about your coverage
Co-pay maximizer– you may not reach your deductible and out-of-pocket maximum until later than expected

Tips to Recognize Co-pay Accumulator/ Maximizer Programs

A separate, written statement/letter should be sent to you **from your health insurance plan** notifying you of changes to your coverage

- These co-pay adjustment programs are most common in employer-based, high deductible plans

Review the language in your health plan's documents

- These programs may be called "Coupon Adjustment: Benefit Plan Protection Program," "Out-of-Pocket Protection Program," or "Co-pay Leveling Program"

Check if you are enrolled in one of these programs

- Contact your health insurance plan and/or your employer

Understanding Alternative Funding Programs (AFPs)

What they do[1-3]:

1. Specialty drugs are carved-out or excluded from the health plan's formulary
2. Your specialty drug claim is denied and you are considered uninsured
3. You are required to sign up for a patient assistance program in order get your prescribed medicine, which can take 2 to 4 weeks

Potential Impact[4-7]:

- **Confusion:** Different companies may contact you about getting the same medicine
- **Delays:** Your medicine may not be delivered in time for you to start or continue treatment
- **Stress:** It can be stressful to learn that your medicine has been denied
- **Safety Issues:** Sometimes medicine is sent from non-US pharmacies
- **Personal Information:** You may not know if your protected health information is being used to make decisions

Tips to Recognize and Navigate Alternative Funding Programs (AFPs)

Look for signs

- Did your health plan make you work with another company to access your medication?
- Did your health plan refuse to cover your medication?
- Did your health plan say that you can't appeal the denial?
- Did your health plan ask for your household income or household size?

Stay informed

If you think you are enrolled in an AFP:

- Review any plan documents
- Look for information about steps you are required to do
- Speak with your employer about any concerns

Take action

- Consider appealing the benefit denial
- Collect information like contact details and coverage denial documents
- Complete the necessary steps to get your medicine
- Follow up regularly
- Notify your health plan and the AFP if you are denied funding

Tips for When You Are Thinking About Changing Your Health Insurance

Things to Keep in Mind When Picking a Health Insurance Plan

Questions about coverage:

- Can I keep my current doctors?[1]
- Can I stay on my current medicines?[2]
- Can I keep using the same pharmacy?[2]
- Can I keep using the same treatment center or hospital?[1,3]

Questions about costs:

- How much will my medicines cost?[2]
- Will the plan pay for my procedures and tests?[2]
- Do I have to start a new deductible?[4]
- What other costs do I have to pay?[5]
- Can I get help paying for my medicine?

Where You Can Find Information About Your Insurance

Commercial Insurance

- Information provided by your job or health insurance company
- Health insurance company websites
- HealthCare.gov
- Unions/human resources departments

Public Insurance

- Medicare.gov
- Benefits.gov
- MedicareSolutions.com
- MedicareAdvocacy.org
- *Medicare & You* handbook
- Medicaid.gov
- CMS.gov