

UNDERSTANDING HEALTH INSURANCE



Health insurance helps pay for medical care. It lowers the cost of doctor visits, hospital stays, prescriptions, and other health services. People with health insurance usually pay less for care than people without insurance.



WHAT IS HEALTH INSURANCE?

Health insurance is an agreement between you and an insurance company or government program. **You pay a monthly cost (called a premium) or qualify based on income or age.** In return, the insurance helps pay for your healthcare.

HEALTH INSURANCE CAN HELP PAY FOR:



Doctor visits



Hospital care



Prescriptions



Preventive care
(check-ups, vaccines)



Mental health
services



Some dental and vision
care (depends on the plan)

Even with insurance, you may still pay some costs, such as copays or deductibles.

TYPES OF HEALTH INSURANCE

MEDICAID

Medicaid is a government health insurance program for people with low income.

- Usually free or very low cost
- Covers doctor visits, hospital care, mental health care, and prescriptions
- Coverage rules vary by state
- You must renew Medicaid regularly

Medicaid is often the best option for people who qualify because it has low or no costs.

MEDICARE

Medicare is a government health insurance program for:

- People age 65 and older
- Some people under 65 with disabilities

Medicare has different parts:

- **Part A:** Hospital care
- **Part B:** Doctor visits and outpatient care
- **Part D:** Prescription drugs

Some people also have a **Medicare Advantage (Part C)** plan, which combines coverage.

Medicare usually has monthly premiums and copays.

COMMERCIAL (PRIVATE) HEALTH INSURANCE

Commercial insurance is health insurance from a private company.

You may get it through:

- A job or employer
- The Health Insurance Marketplace
- A family member

Commercial insurance usually:

- **Has monthly premiums**
- **Has copays and deductibles**
- **Requires you to use in network doctors**

Costs can be higher, but it may offer more provider options.

WHAT IS THE HEALTH INSURANCE MARKETPLACE?

The Marketplace is where people can shop for health insurance plans.

- ✓ You may qualify for financial help to lower costs
- ✓ Open enrollment happens once a year
- ✓ Special enrollment is available after life changes (job loss, move, etc.)

WHY HEALTH INSURANCE IS IMPORTANT

Health insurance helps you:

- Get care before problems get worse
- Pay less for medical services
- Have a regular doctor (medical home)
- Avoid large medical bills

COMMON HEALTH INSURANCE COSTS

Out-of-pocket costs are the money you pay yourself.

You may have:

PREMIUM: Money you pay each month (some plans are \$0)

COPAY: A small fee when you get care (example: \$5 or \$20)

DEDUCTIBLE: Money you may pay before insurance helps

OUT-OF-POCKET MAXIMUM: The most you pay in one year

Out-of-pocket costs are the money you pay yourself for healthcare. Even with insurance, you may still have some out-of-pocket costs.

Common out-of-pocket costs include:



PREMIUM

The amount you pay each month for insurance. Some programs, like Medicaid, may have no premium.



COPAY

A set amount you pay when you visit a doctor or pick up medicine (for example, \$5 or \$20).



DEDUCTIBLE

The amount you may have to pay for care before your insurance starts paying.



COINSURANCE

A percentage of the cost you pay after meeting your deductible (for example, 20%).



OUT-OF-POCKET MAXIMUM

The most you will have to pay in a year. Once you reach this amount, your insurance pays 100% of covered services.



IN-NETWORK

Doctors, clinics, or hospitals that accept your insurance and cost you less.



OUT-OF-NETWORK

Providers that do not accept your insurance and may cost more.

TYPICAL COSTS BY INSURANCE TYPE

INSURANCE TYPE	MONTHLY COST	DOCTOR VISIT	ER VISIT
Medicaid	\$0 or low	\$0-\$5	\$0 or low
Medicare	Monthly cost	Copay	Copay + coinsurance
Private	Higher	Copay or full cost	Can be high

Want to learn more? Contact health@goodhousing.org.