

# Insurance Made Simple

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# Individual and Family Health

BIA

*Boone Insurance Associates 101 Education Guide: New*



# About Boone Insurance Associates

- ❑ Boone Insurance Associates provides health and life insurance products to clients all over Oregon.
- ❑ We work directly with the companies to resolve any of your claim, benefit, & premium questions.
- ❑ Unlike a captive insurance producer who represents that insurance company alone, we are independent of a specific insurance company and represent a variety of different companies and products.
- ❑ Boone Insurance Associates provides this educational program today to help inform you. There is no obligation for you to purchase services from us.

**“Our pledge is to provide our clients with superior customer service and product knowledge in order to guide them in making the most informed decisions.”**



# Signing up for Insurance?

- **During Open Enrollment**

- You can start shopping in the fall of each year for a January 1<sup>st</sup> effective date

- **SEP (Special Election Period)**

- Contact our office 60 days out from your desired effective date or as soon as you are notified of your Special Election



# Basic Terminology

- The world of health insurance has many terms that can be confusing. Understanding your costs and benefits—and estimating the price of a visit to the doctor—becomes much easier once you are able to make sense of the terminology.

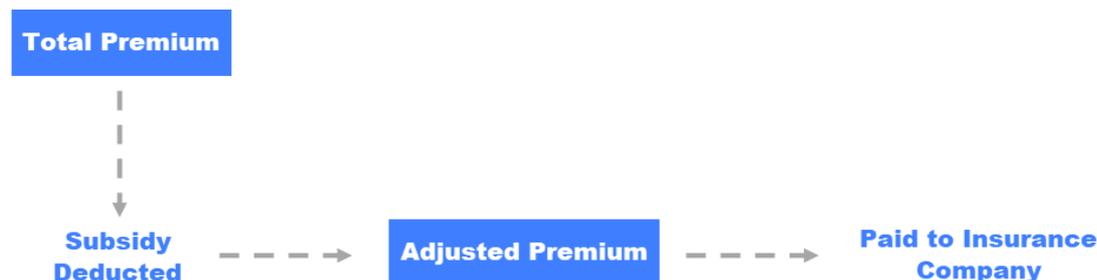


# Premium

- The amount of money charged by an insurance company for coverage
- The insurance premium is the cost of your insurance

## Premium Example

Let's say that you have been researching health care rates and plans in order to find a plan that is affordable and suitable for you and your family. After doing research, you select a plan that costs \$500 per month. That \$500 monthly fee is your health insurance premium. In order for all of your health care benefits to remain active, the health insurance premium must be paid in full every month. If you have an individual health plan through the Marketplace and are receiving a premium subsidy, the subsidy will be paid by the government, directly to your insurance company. The remaining balance of the premium will be invoiced to you, and you'll have to pay your share in order to keep your coverage in force.





# Copays

- A copayment, or copay, is a fixed amount you pay for a covered health care service, usually when you get the service. The amount can vary by the type of covered health care service.

## Copayment Example

Sally takes her son to the pediatrician for a bad cough. She has a copay of \$15 at the doctor's office.

<b>Cost of visit:</b>	<b>\$200</b>
<b>Sally pays:</b>	<b>\$15</b>
<b>Health plan pays:</b>	<b>\$185</b>

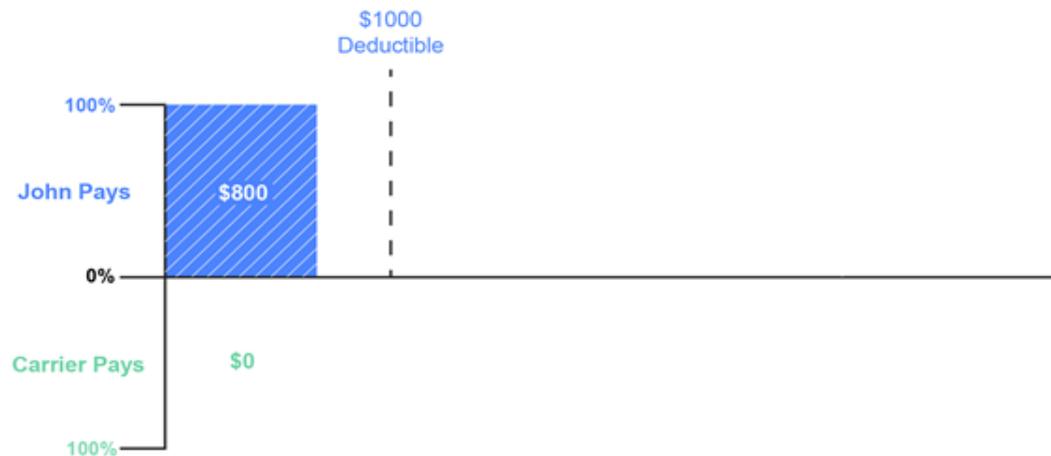


# Deductible

- The amount you owe for health care services each year before the insurance company begins to pay

## Deductible Example

John has a health plan with a \$1,000 annual deductible. John falls off his roof and has to have three knee surgeries, the first of which is \$800. Because John hasn't paid anything toward his deductible yet this year, and because the \$800 surgery doesn't meet the deductible, John is responsible for 100 percent of his first surgery.



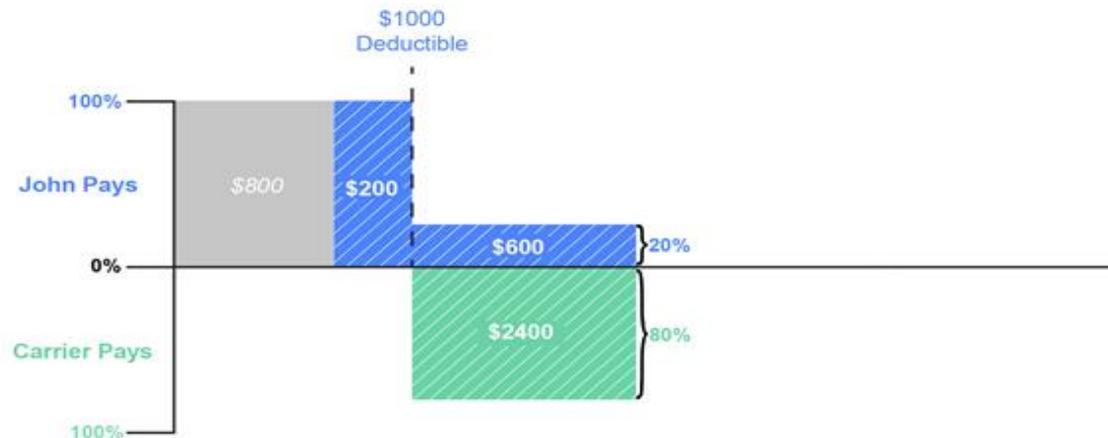


# Coinsurance

- Your share of the costs of a covered health care service calculated as a percent of the allowed amount for the service

## Coinsurance Example

John's second surgery occurs in the same plan year as his first and costs \$3,200. Because he has already paid \$800 toward his \$1,000 annual deductible, John is responsible for the first \$200 of the second surgery. After that, he has met his deductible and his carrier will cover 80 percent of the remaining cost, a total of \$2,400. John will still be responsible for 20 percent, or \$600, of the remaining cost. The total John must pay for his second surgery is \$800.





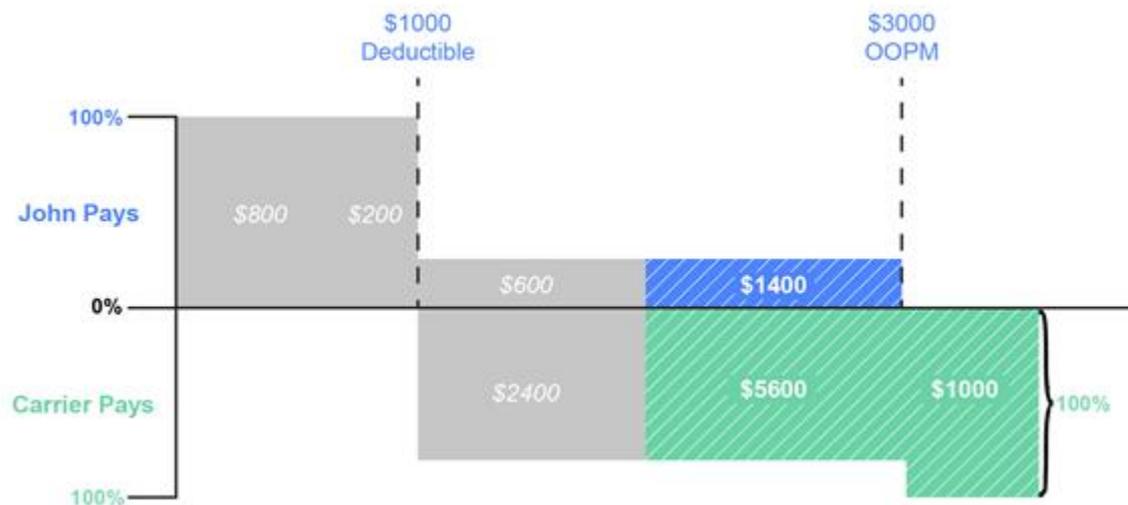
# Out of Pocket Maximum: OOPM

- An OOPM is the most you should have to pay for your health care during a year, excluding the monthly premium. It protects you from very high medical expenses.
- After you reach the annual OOPM, your health insurance or plan begins to pay 100 percent of the allowed amount for covered health care services or items for the rest of the year.
- Some plans do not count all your out-of-pocket expenses towards your OOPM (for example, some plans do not count your deductible).

# Out-of-pocket Maximum Example

John's third surgery occurs in the same plan year as his first two and costs a total of \$8,000. John has already met his deductible, so he only needs to pay the coinsurance on this surgery, up to the plan's OOPM of \$3,000. Because John has already spent \$1,600 towards his OOPM on previous health care costs this year, he only needs to spend \$1,400 before he hits his OOPM.

Once he hits the OOPM, his plan covers the remaining costs. Therefore, John's coinsurance total for the third surgery is \$1,400—the 20 percent coinsurance cost, up to the \$3,000 maximum—and his plan's total is the remaining \$6,600 (on the chart, this is shown as \$5,600 before the OOPM, plus \$1,000 after John hits his OOPM).



# Two Markets to Purchase From

- **Private Market**
  - Guarantee Issue (no pre-existing condition clause)
  - No tax credits
  - Simplified enrollment process
- **Health Insurance Marketplace**
  - Guarantee Issue (no pre-existing condition clause)
  - Tax credits available to help pay premiums if income is under 400% Federal Poverty Level (FPL)
  - Longer and more detailed enrollment process



# Health Insurance Marketplace

## ○ Health Insurance Marketplaces

- Beginning in 2014, Marketplaces will primarily serve individuals buying insurance on their own and small businesses with up to 50 employees.
- States can establish their own Marketplaces, or use Federally Facilitated Marketplace (FFM).
- Oregon uses the FFM or Healthcare.gov
- Plans offered through a Marketplace are known as “Qualified Health Plans,” or “QHPs.” QHPs will have to offer a set of "essential benefits."

# Affordable Care Act (ACA)

- Individuals who sign up for insurance through a Marketplace may be eligible for federal subsidies (tax credits or cost-sharing reductions, see next page for chart)
  - Tax Credits – Under 400% FPL (Federal Poverty Level)
  - Cost Sharing Plans – Under 250% FPL
  - Medicaid
    - Adults – Under 138% FPL
    - Kids – Under 300% FPL

# What am I likely **eligible** for?

In the chart below, first find your family size and follow that row over to the dollar amounts.  
If you earn less than the income amount listed in one column, you may be eligible for that coverage or assistance.

Family Size	Oregon Health Plan (OHP)	Tax Credits and Cost-Sharing Reductions (1st level)	OHP for Pregnant Women	Tax Credits and Cost-Sharing Reductions (2nd level)	Tax Credits and Cost-Sharing Reductions (3rd level)	OHP for Kids Under 19	Tax Credits
	MONTHLY GROSS INCOME	ANNUAL GROSS INCOME	MONTHLY GROSS INCOME	ANNUAL GROSS INCOME	ANNUAL GROSS INCOME	MONTHLY GROSS INCOME	ANNUAL GROSS INCOME
1	\$1,436	\$18,735	Plus one per each expected baby	\$24,980	\$31,225	\$3,175	\$49,960
2	\$1,945	\$25,365	\$2,677	\$33,820	\$42,275	\$4,298	\$67,640
3	\$2,453	\$31,995	\$3,377	\$42,660	\$53,325	\$5,421	\$85,320
4	\$2,961	\$38,625	\$4,077	\$51,500	\$64,375	\$6,545	\$103,000
5	\$3,470	\$45,255	\$4,777	\$60,340	\$75,425	\$7,668	\$120,680
6	\$3,978	\$51,885	\$5,477	\$69,180	\$86,475	\$8,792	\$138,360
7	\$4,486	\$58,515	\$6,177	\$78,020	\$97,525	\$9,915	\$156,040
8	\$4,994	\$65,145	\$6,876	\$86,860	\$108,575	\$11,038	\$173,720
9	\$5,503	\$71,775	\$7,576	\$95,700	\$119,625	\$12,162	\$191,400
10	\$6,011	\$78,405	\$8,276	\$104,540	\$130,675	\$13,285	\$209,080

\*Oregon Health Plan eligibility is based on gross monthly income. The Marketplace bases eligibility on estimated gross annual income.

\*This chart provides only an ESTIMATE of an individual or family's likely eligibility.

\*This chart is valid Nov. 1, 2019 to April 1, 2020. An updated version will be available at OregonHealthCare.gov at that time.

For information or questions about the Oregon Health Plan call 800-699-9075 (toll-free) or visit OHP.Oregon.gov.

For information and questions about private health insurance, go to HealthCare.gov or call 800-318-2596 (toll-free) (TTY: 855-889-4325).

To find FREE local in-person assistance visit OregonHealthCare.gov or call 855-268-3767 (toll-free).





# Types of Plans

- Plans in the Health Insurance Marketplace are presented in 3 “metal” categories: Bronze, Silver and Gold
- Metal categories are based on how you and your plan split the costs of your health care. They have nothing to do with quality of care.

# Which metal category is right for you?

## □ **Bronze**

- Lowest monthly premium
- Highest costs when you need care
- Bronze plan deductibles — the amount of medical costs you pay yourself before your insurance plan starts to pay — can be thousands of dollars a year.
- Generally cover about 60% of total average costs after deductible is met
- **Good choice if:** You want a low-cost way to protect yourself from worst-case medical scenarios, like serious sickness or injury. Your monthly premium will be low, but you'll have to pay for most routine care yourself



# Metal Categories

## □ Silver

- Moderate monthly premium
- Moderate costs when you need care
- Silver deductibles — the costs you pay yourself before your plan pays anything — are usually lower than those of Bronze plans.
- Generally cover about 70% of total average costs after deductible is met
- **Good choice if:** You're willing to pay a slightly higher monthly premium than Bronze to have more of your routine care covered.

# Metal Categories

## □ **Gold**

- High monthly premium
- Low costs when you need care
- Deductibles — the amount of medical costs you pay yourself before your plan pays — are usually low.
- Generally cover about 80% of total average costs after deductible is met
- **Good choice if:** You're willing to pay more each month to have more costs covered when you get medical treatment. If you use a lot of care, a Gold plan could be a good value.



# Types of Plans

- **Preferred Provider Organization (PPO)**
  - Has a network of providers, but also allows use of medical providers outside of the plan's network (typically with greater employee cost-sharing). Referrals may not be required. Is more flexible than an HMO, but also more expensive generally.
- **Health Maintenance Organization (HMO)**
  - Covers services performed solely by providers in a network. This tends to be a low cost system, but is more restrictive than other plans.
- **High Deductible Health Plan (HDHP)**
  - A high deductible health plan is often paired with a tax-advantaged account to pay for medical expenses. The most prominent options are health reimbursement arrangements (HRAs) and health savings accounts (HSAs) used in conjunction with savings accounts.



# Prescription Benefits

- Most plans use a MAC (Maximum Allowable Charge) “A” formulary
  - If you want brand name but generic alternative is available, you must pay difference between generic copay cost and brand name cost.
- Most plans have Rx benefit included in health plan maximum.
- Drugs on a formulary are typically grouped into tiers. The tier that your medication is in determines your portion of the drug cost. A typical drug benefit includes three or four tiers: Tier 1 usually includes generic medications

		GENERIC DRUGS	PREFERRED BRAND NAME DRUGS	NON-PREFERRED BRAND NAME DRUGS	SPECIALTY DRUGS
	BRONZE	26%	37%	43%	40%
	SILVER	25%	29%	39%	38%
	GOLD	18%	28%	41%	32%



# Enrollment Periods

- OEP (Open Enrollment Period) 2019: November 1-December 15: Enroll or Switch plans.
- SEP (Special Election Period) – Any time during the year as long as you have a qualified event
  - Loss of Employer Coverage
  - Marriage or Divorce
  - Birth or adoption of a child
  - Death
  - Move
  - Release from Incarceration
  - Income Change
  - And others...

# Extra Help: Medicaid

- Medicaid provides coverage for some low-income people, families and children, pregnant women, the elderly, and people with disabilities.
- Medicaid programs must follow federal guidelines, but coverage and costs may be different from state to state.
- Some Medicaid programs pay for your care directly. Others use private insurance companies to provide Medicaid coverage.
- Oregon uses Oregon Health Plan (OHP)
  - For more information: visit [oregonhealthcare.gov](https://oregonhealthcare.gov)



# Insurance Planning: Next Steps

- **Private Market**

- If you want to apply directly through the private market, simply call our office to schedule an appointment with an agent at 541-345-3707

- **FFM**

- If you want to apply through the FFM, use our comprehensive enrollment guide to walk you through the process.
- [BIA Enrollment Guide \(Click Here\)](#)



# Getting Help

- BIA is here to help!
  - Call our office to speak to a licensed agent at:  
541-345-3707
  - Visit our website at:  
[www.booneinsuranceassociates.com](http://www.booneinsuranceassociates.com)
  - Email our Sales Team at:  
[SalesISA@booneinsuranceassociates.com](mailto:SalesISA@booneinsuranceassociates.com)

Thank you!