

Understanding Your Health Insurance



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Individual health insurance is a contract between you and your insurance company, whereas employer group health insurance is a contract between your employer and the health insurance company. Health insurance helps pay the costs of treatment for an illness or injury.

Shopping for Coverage

Depending on your situation, health insurance can be obtained in several ways:

- **Health Insurance Marketplace:** An application may be completed online at www.healthcare.gov or by calling 800-318-2596.
- **Directly from a health insurance company:** DIFS provides a list of authorized health insurance companies and Health Maintenance Organizations (HMO) and the areas in which they offer coverage at www.michigan.gov/DIFS.
- **Through your or your spouse's employer:** Some employers offer health coverage as an employee benefit.
- **Through a college or university you attend:** Some higher learning institutions offer coverage to their students.
- **Through Medicare or Medicaid, for those who qualify:** For Medicare call 800-663-4227 or visit www.medicare.gov. For Medicaid call Michigan Enrolls at 800-975-7630 or visit www.michigan.gov/mibridges.

For questions or help with purchasing health insurance, you can seek the assistance of:

- **A federally trained navigator or certified application counselor:** Trained individuals can provide enrollment assistance for Marketplace



plans. To find Marketplace assistance in your area, visit localhelp.healthcare.gov.

- **A licensed agent:** To find licensed health insurance agents in your area and to verify their licensure in Michigan, use DIFS' Insurance Licensee Locator at www.michigan.gov/DIFS.

Prior to purchasing health care coverage, you may want to compare health insurance policies and find the policy that best meets your needs. Consider the following:

- Identify your current health care needs by making a list of:
 - Your provider(s) and hospital(s)
 - Your current health conditions and treatment
 - Prescribed medication
- Compare the health insurance policy's:
 - Covered in-network and out-of-network benefits
 - Treatment limits and exceptions
- Compare the cost of:
 - Premiums
 - Out-of-pocket expenses (i.e., deductible, co-insurance, and co-pay)

For additional assistance comparing policies, see DIFS' Health Insurance Shopping Tool located on the last page of this guide.

Cost for Coverage

There is more to shopping for health insurance than just finding the lowest premium. Considering your financial status and family needs, the bottom line on your health insurance may not be the monthly premium you pay. A policy with a lower monthly premium may seem like a better deal, but a lower monthly premium could mean you'll have less coverage – or that you'll pay more out-of-pocket when you need health care services.

Examples of out-of-pocket costs include:

- **Deductible** – How much you will pay before the insurance helps pay for the cost of treatment. Deductibles generally apply to most services. Check your Summary of Benefits and Coverage for more detail.
- **Co-insurance or Co-payments** – How much you pay out-of-pocket for services after you pay the deductible.
- **Annual out-of-pocket maximum** - How much in total you'll have to pay for treatment in a plan year.

What's Covered

Health insurance helps pay for provider visits, hospital services and medications. But remember, insurance isn't just for when you get sick – it can also help you stay healthy. Most plans cover preventive services like immunizations, annual visits, screenings and more for free.

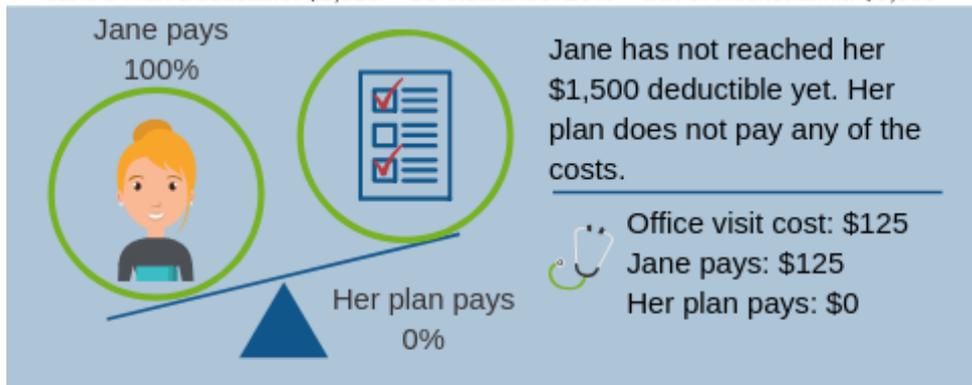
For more information on what your plan covers, review the "Summary of Benefits and Coverage." If you don't have one, ask your insurance company for a copy. The Summary of Benefits and Coverage explains the plan's key features like:

- Covered health care services
- *Your* share of the costs for a covered service
- Health care services the plan does not cover



How You and Your Insurer Share Costs (Example)

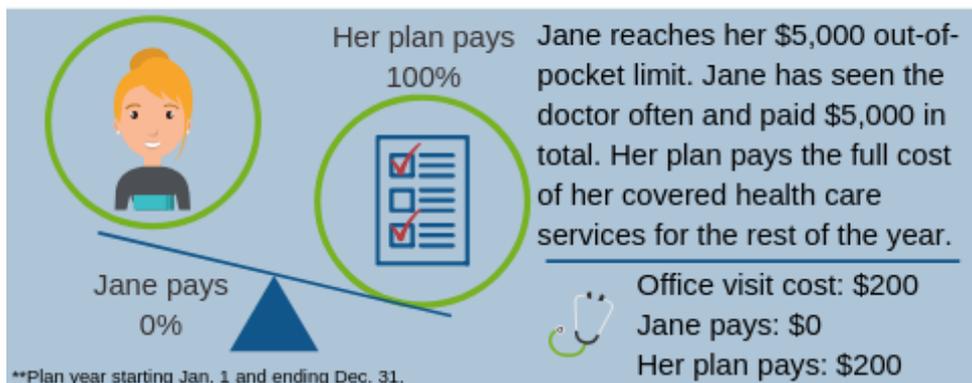
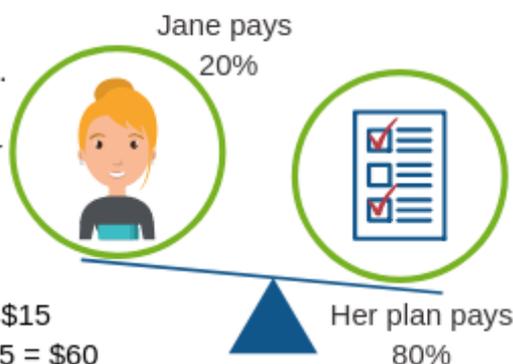
Jane's Plan Deductible: \$1,500 Co-insurance: 20% Out-of-Pocket Limit: \$5,000



Jane reaches her \$1,500 deductible; co-insurance begins. Jane has seen a doctor several times and paid \$1,500 total. Her plan pays some of the costs of her next visit.



Office visit cost: \$75
Jane pays: 20% of \$75 = \$15
Her plan pays: 80% of \$75 = \$60



**Plan year starting Jan. 1 and ending Dec. 31.

Things to Remember

1. There are many kinds of private health insurance policies. Different kinds of policies can offer very different kinds of benefits. Some policies may also have a certain group, also known as a network, of health care providers you can use when you need care.
2. Health insurance companies contract with networks of hospitals, pharmacies, and health care providers to take care of people in their plans. Depending on the type of policy you buy, your plan may only pay for your care when you get it from a provider in the plan's network, or you may have to pay a bigger share of the bill.
3. You may have to pay co-insurance or a co-payment as your share of the cost when you get medical services, like a provider's visit, hospital outpatient visit, or a prescription.
4. You may have to pay a deductible each plan year before your insurance starts to pay for care you receive. See the previous page for an example.
5. You may see limited benefit products that appear to provide the same coverage as comprehensive health insurance. Some examples are short-term limited duration policies, policies that only cover certain diseases, policies that only cover you if you're hurt in an accident or plans that offer you discounts on health services. Don't mistake limited benefit products for comprehensive health insurance.

Disputes with Your Health Insurance Company

If your health insurance company denies a claim or ends your coverage, you have the right to appeal the decision. An attorney is not required to resolve most disputes. Start with contacting the health insurance company in writing and request a reconsideration of its decision.

If your dispute involves a decision your health insurer made regarding your health care claim, also known as an adverse

determination, there are two levels of appeal – an internal appeal with your health insurer and an external review with DIFS.

The external review process should only be initiated if: 1) the covered person has exhausted the health carrier’s internal grievance process, or 2) the health carrier fails to provide a determination within the timeframe dictated by law.

If you’ve exhausted your health carrier’s internal grievance process and you do not agree with their final adverse determination, you have 127 days to file an external review with DIFS under the Patient’s Right to Independent Review Act (PRIRA). For additional information related to DIFS’ external review process and to access the Health Care Appeals-Request for External Review form, visit www.michigan.gov/DIFS or contact DIFS at 877-999-6442. Upon receipt, DIFS will examine your external review request to determine if it meets the requirements under PRIRA.

In any case, you always have the right to file a written complaint with DIFS if you are unable to reach a satisfactory resolution. DIFS will send the health insurance company a copy of the complaint and ask them to explain their position.

Health insurance companies are required by law to respond to DIFS. We will review the facts to ensure the health insurance company has complied with your contract language and all rules and regulations.

Complaints Can Be Submitted in the Following Ways:

- Online: www.michigan.gov/DIFScomplaints
- Email: DIFScomplaints@michigan.gov
- Fax: 517-284-8837
- Mail: DIFS, PO Box 30220, Lansing, MI 48909

Contact DIFS toll-free at 877-999-6442 for additional information or to request a complaint form be sent to you via mail, email or fax.

Health Insurance Shopping Tool

Things to discuss with your insurance company, agent, or assister:

	Policy 1	Policy 2	Policy 3
Name of company/plan			
Monthly premium			
Is your doctor in-network?			
Is your hospital in-network?			
Are the prescriptions you're taking covered?			
Deductible			
Co-insurance percentage			
Co-pay:			
Office visit			
Urgent care			
Emergency room			
Prescription co-pay:			
Generics			
Brand name			
Specialty			
Mail order			
NOTES:			

CONTACT INFORMATION

Michigan Department of Insurance and Financial Services Telephone: 877-999-6442
DIFS-HICAP@michigan.gov
www.michigan.gov/HICAP

