



## All About Insurance

Health insurance can be confusing. So we had a professional break it down for you. On the following pages you will find:

- Key terms and definitions to help you understand insurance
- A visual sample of an insurance card

*\*Note: All terms defined by healthcare professional Ashley Shipp, unless otherwise noted.*



## Sample Insurance Card:

OUR TURN 2 CARE		Sample Insurance Card	Coverage Type
MEMBER NAME: JANE DOE		EFFECTIVE DATE: XX-XX-XXXX	
MEMBER NUMBER: XXX-XX-XXXX			
GROUP #: XXXXXX-XXX-XXX		PRESCRIPTION GROUP #: XXXXX	
PCP	25	PRESCRIPTION COPAY	
SPC	50	15 GENERIC	
EMER DEPT	75	20 NAME BRAND	
MEMBER SERVICES: 1-XXX-XXX-XXXX			
CLAIMS/INQUIRIES: -XXX-XXX-XXXX			

## Key Terms:

### A

#### Advance Beneficiary Notice (ABN)

A document that Medicare patients may need to sign, acknowledging that Medicare may or may not cover certain procedures or medications and that the patient is responsible for those bills.

### B

### C

#### Coinsurance<sup>1</sup>

The percentage of costs of a covered health care service you pay (20%, for example) after you've paid your deductible.

<sup>1</sup> Source: [Healthcare.gov](https://www.healthcare.gov)



### **Example:**

Let's say your health insurance plan's allowed amount for an office visit is \$100 and your coinsurance is 20%.

- If you've paid your deductible: You pay 20% of \$100, or \$20. The insurance company pays the rest.
- If you haven't met your deductible: You pay the full allowed amount, \$100.

### **Example of coinsurance with high medical costs:**

Let's say the following amounts apply to your plan and you need a lot of treatment for a serious condition. Allowable costs are \$12,000.

- Deductible: \$3,000
- Coinsurance: 20%
- Out-of-pocket maximum: \$6,850

You'd pay all of the first \$3,000 (your deductible) and you'll pay 20% of the remaining \$9,000, or \$1,800 (your coinsurance).

So your total out-of-pocket costs would be \$4,800 — your \$3,000 deductible plus your \$1,800 coinsurance.

If your total out-of-pocket costs reach \$6,850, you'd pay only that amount, including your deductible and coinsurance. The insurance company would pay for all covered services for the rest of your plan year.

Generally speaking, plans with low monthly premiums have higher coinsurance, and plans with higher monthly premiums have lower coinsurance.

### **Copay**

- Your card may say [PCP 25](#) [SPC 50](#).
- What this means is any time you have an office visit this is the fee you pay at the time of your visit.



## D

### Deductible<sup>2</sup>

The amount you pay for covered health care services before your insurance plan starts to pay. With a \$2,000 deductible, for example, you pay the first \$2,000 of covered services yourself.

After you pay your deductible, you usually pay only a copayment or coinsurance for covered services. Your insurance company pays the rest:

- Many plans pay for certain services, like a checkup or disease management programs, before you've met your deductible.
- Some plans have separate deductibles for certain services, like prescription drugs.
- Family plans often have both an individual deductible, which applies to each person, and a family deductible, which applies to all family members.

Generally, plans with lower monthly premiums have higher deductibles. Plans with higher monthly premiums usually have lower deductibles.

## E

### Exclusive Provider Organization (EPO)<sup>3</sup>

With an EPO, you may have:

- A moderate amount of freedom to choose your health care providers – more than an [HMO](#); you do not have to get a referral from a primary care doctor to see a specialist.
- No coverage for out-of-network providers; if you see a provider that is not in your plan's network – other than in an emergency – you will have to pay the full cost yourself.
- Lower [premium](#) than a [PPO](#) offered by the same insurer

What doctors you can see.

- Any doctor in the EPO's network.

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<sup>2</sup> Source: [Healthcare.gov](https://www.healthcare.gov)

<sup>3</sup> Source: [WebMD - Types of Health Insurance: How They Compare](https://www.webmd.com/health-insurance/how-they-compare)



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### Health Maintenance Organization (HMO)<sup>4</sup>

An HMO delivers all health services through a network of healthcare providers and facilities. With an HMO, you may have:

- The least freedom to choose your health care providers
- The least amount of paperwork compared to other plans
- A primary care doctor to manage your care and refer you to specialists when you need one so the care is covered by the health plan. Most [HMOs](#) will require a referral before you can see a [specialist](#).

### Health Savings Account<sup>5</sup>

- A type of savings account that allows you to set aside money on a pre-tax basis to pay for qualified medical expenses. A Health Savings Account can be used only if you have a [High-Deductible Health Plan](#) (HDHP).

### High-Deductible Health Plan (HDHP) – With or Without a Health Savings Account<sup>6</sup>

Similar to a catastrophic plan, you may be able to pay less for your insurance with a high-deductible health plan (HDHP).

With an HDHP, you may have:

- One of these types of health plans:
  - [HMO](#)
  - [PPO](#)
  - [EPO](#)
  - [POS](#)
- Higher [out-of-pocket](#) costs than many types of plans

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<sup>4</sup> Source: [WebMD – Types of Health Insurance Plans: How They Compare](#)

<sup>5</sup> Source: [Healthcare.gov](#)

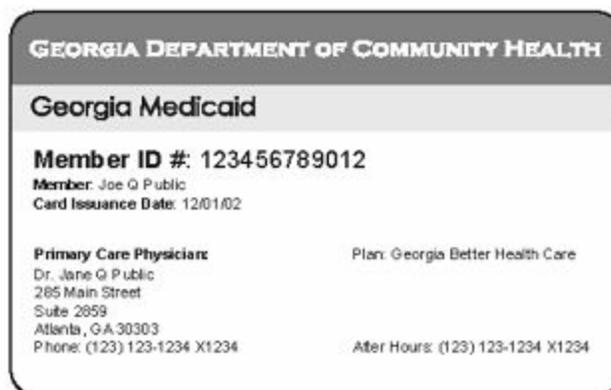
<sup>6</sup> Source: [WebMD - Type of Health Insurance Plans: How They Compare](#)



- If you reach the maximum out-of-pocket amount, the insurance pays 100% of your care.
- A [health savings account](#) (HSA) helps pay for your care; the money you put in an HSA is not taxed and can be used tax-free on eligible medical expenses. In order to have a HSA, you must be enrolled in a HDHP.
- What doctors you can see?
  - This varies depending on the type of plan – HMO, POS, EPO, or PPO
- What you pay:
  - [Premium](#)  
An HDHP generally has a lower premium compared to other plans.
  - [Deductible](#)  
The deductible is at least \$1,300 for an individual or \$2,600 for a family, but not more than \$6,550 for an individual and \$13,100 for a family in 2017. Like with HMOs and PPOs, your preventive care is free even if you haven't met the deductible.
  - [Copays](#) or [coinsurance](#): You must review your plans benefits carefully to learn what you will pay when you go for medical care.

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## Medicaid



- How do you qualify?



1. Based on income, or
2. Need (for mothers or children)

The lowest income threshold (which is different based on the state you live in)

- If you make more than the threshold, you may still qualify for a Medicaid subsidiary (in Georgia, these include [Amerigroup](#), [PeachState](#), and [Ambetter](#)). These have low monthly costs and low copays.

It is common for people to combine Medicare and Medicaid. In this case, Medicaid covers covers the patient's responsibility (20% of the [OOP](#)).

## Medicare

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY  
**JANE DOE**

MEDICARE CLAIM NUMBER  
**000-00-0000-A**

SEX  
**FEMALE**

IS ENTITLED TO EFFECTIVE DATE

<b>HOSPITAL</b>	<b>(PART A)</b>	<b>07-01-1986</b>
<b>MEDICAL</b>	<b>(PART B)</b>	<b>07-01-1986</b>

SIGN HERE \_\_\_\_\_

- How much does Medicare cover?  
It is 80/20 coinsurance, which means there are no copays and the payee is 100% responsible for the deductible and 20% of all costs up to the [OOP](#).
- What does Medicare cover?  
It is limited in what it will cover and does *not* cover things like a traditional yearly physical; instead, it covers a Medicare Wellness Visit.
- How do you qualify for Medicare?
  1. Being disabled, and/or
  2. Being at least 65 years of age (Note: This is the most common way people qualify)
- Two parts to Medicare:
  1. Part A
    - The government gives you Part A when you turn 65
    - It covers medical and hospital charges
  2. Part B



- Requires monthly fee (similar to commercial insurance)
- Covers office charges

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## O

### Out-of-Pocket Expenses (OOP)

Your insurance should have something like a [deductible](#) of \$2,000, for example, and an OOP (out-of-pocket) of \$5,000, for example.

It's very common to have something 80/20 coverage until deductible is met.

- What this means is you are responsible 100% for the first \$2,000<sup>7</sup> from your visits and then responsible for 20% of the bills until the deductible is met.

## P

### Point-of-Service Plan (POS)<sup>8</sup>

With POS plan, you may have:

- More freedom to choose your health care providers than you would in an HMO
- A moderate amount of paperwork if you see out-of-network providers
- A primary care doctor who coordinates your care and who refers you to specialists

You can see in-network providers your primary care doctor refers you to. You can see out-of-network doctors, but you'll pay more.

What you pay:

- [Premium](#)
- [Deductible](#)  
Your plan may require you to pay the amount of a deductible before it covers care beyond preventive services.  
You may pay a higher deductible if you see an out-of-network provider.
- [Copays](#) or [coinsurance](#):  
You will pay either a copay – \$15, for example – when you get care or coinsurance, which is a percent of the charges for care.  
These costs are higher when you use an out-of-network doctor.

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<sup>7</sup> Amount used for example only. See insurance carrier for exact terms.

<sup>8</sup> Source: [WebMD - Types of Health Insurance: How They Compare](#)



## Preferred Provider Organization (PPO)<sup>9</sup>

With a PPO, you may have:

- A moderate amount of freedom to choose your health care providers -- more than an HMO; you do not have to get a referral from a primary care doctor to see a specialist.
- Higher out-of-pocket costs if you see out-of-network doctors versus in-network providers
- More paperwork than with other plans if you see out-of-network providers

### What doctors can you see?

- Any in the PPO's network; you can see out-of-network doctors, but you'll pay more.

### What do you pay?

- [Premium](#)
- [Deductible](#)  
Some PPOs may have a deductible. You will likely have to pay a higher deductible if you see an out-of-network doctor.
- [Copay](#) or [coinsurance](#)  
A copay is a flat fee of \$15, for example, that you pay when you get care.  
Coinsurance is when you pay a percent of the charges for care, for example 20%.
- **Other costs**  
If your out-of-network doctor charges more than others in the area do, you may have to pay the balance after your insurance pays its share.

## Premium<sup>10</sup>

- The amount you pay for your health insurance every month. In addition to your premium, you usually have to pay other costs for your health care, including a deductible, copayments, and coinsurance. If you need much health care, a plan with a slightly higher premium but a lower deductible may save you a lot of money.

## Primary Care Physician (PCP)

- A general doctor. You visit a PCP for check-ups or if you have a cold, for example.

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<sup>9</sup> Source: [WebMD – Types of Health Insurance Plans: How They Compare](#)

<sup>10</sup> Source: [Healthcare.gov](#)



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## Supplemental Security Income (SSI)<sup>11</sup>

Who is eligible for SSI?

- Anyone who is:
  - age 65 or older
  - blind; or
  - disabled.
- And, who:
  - has limited income
  - has limited resources
  - is a U.S. citizen or national, or in one of certain categories of aliens
  - is a resident of one of the 50 States, the District of Columbia, or the Northern Mariana Islands
  - is not absent from the country for a full calendar month or for 30 consecutive days or more
  - is not confined to an institution (such as a hospital or prison) at the government's expense
  - applies for any other cash benefits or payments for which she or he may be eligible, (for example, pensions, Social Security benefits)
  - gives SSA permission to contact any financial institution and request any financial records about you
  - files an application
  - meets certain other requirements

## Social Security Disability Insurance (SSDI)<sup>12</sup>

- Pays benefits to you and certain members of your family if you are "insured," meaning that you worked long enough and paid Social Security taxes.

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<sup>11</sup> Source: [Social Security Administration](#)

<sup>12</sup> Source: [Social Security Administration](#)



- The amount of your monthly disability benefit is based on your lifetime average earnings covered by Social Security.
- You are automatically enrolled in Medicare after you get disability benefits for two years. The two parts of [Medicare](#) we enroll you in are hospital insurance and medical insurance.

### Specialist (SPC)

- A specialist is any doctor, other than your [PCP](#), that focuses on a specific type of medicine (e.g. neurologist, occupational therapist, psychologist, etc.)

### Supplemental Insurance

- A second insurance policy (e.g. AARP, Mutual of Omaha), which you pay an additional monthly fee for.
- Covers the 20% of [OOP](#) patients are responsible for.
- What many Medicare patients choose to use for additional costs.

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