

# Get Covered: Navigating private and government health insurance

Health insurance is a necessity, but if you don't have access to affordable employer-sponsored insurance or Medicare, it can be a challenge to determine where to get coverage, select the right plan, and pay your premiums and other costs.

This publication explains the various sources of individual (not "group") health insurance, how to purchase coverage, and what your options for health care are if you have very low income.

## Marketplace health plans

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The Health Insurance Marketplace is a service created under the Affordable Care Act (Obama-care) to help people shop for and enroll in affordable health insurance plans. The federal government operates the central Marketplace, at HealthCare.gov, while some states run their own marketplaces (also known as "exchanges"). You can access shopping and enrollment services through websites, call centers and in person.

The Health Insurance Marketplace offers some important advantages for consumers who need coverage.

One of these is the possibility of qualifying for financial breaks that make health insurance more affordable. The first type of assistance is the Advance Premium Tax Credit. This tax credit can be applied directly to your monthly insurance premiums, reducing the monthly cost of coverage immediately.

The second break is the cost-sharing subsidy (available only on "Silver"-level plans—see below). This reduces your out-of-pocket costs—deductibles, copayments, coinsurance and out-of-pocket maximums—when you visit a doctor or stay in the hospital. (Copayments are flat fees you are responsible for paying when getting care. Coinsurance is a percentage of the cost of service you must pay after you have satisfied your deductible. The deductible is the amount

### ACA consumer protections

#### *The Affordable Care Act requires:*

- Insurance companies to sell you coverage
- Fair pricing and no unreasonable rate hikes
- A choice of primary care physician
- Coverage under parent's policy if you're under 26
- No annual or lifetime limits on benefits
- No pre-existing condition exclusions or benefits limits
- No arbitrary cancellations
- No barriers to emergency services
- No-cost preventive health services

you have to pay for covered services before your insurer pays anything, other than for free preventive services. The out-of-pocket maximum is the most you could have to pay in a plan year—not including premiums—before your insurance pays 100% of the cost of covered services.)

Enrolling in a Marketplace (federal or state) plan is the only way to get these savings—they are not available on plans purchased outside of the Marketplace (or state exchanges).

You can still buy coverage through the Marketplace even if your income doesn't qualify you for tax credits or subsidies. One

advantage of doing so is knowing that all of the plans offered count as “qualifying health coverage” (also known as “minimum essential coverage”), which means that they meet all the requirements of the Affordable Care Act (see box), including providing 10 essential health benefits (<https://familiesusa.org/blog/10-essential-health-benefits-insurance-plans-must-cover>).

### Buying coverage on the Marketplace

The federal Marketplace is found at HealthCare.gov (<https://www.healthcare.gov>). The federal website will direct you to your state’s exchange if one exists, or you can find it here: <https://www.healthcare.gov/marketplace-in-your-state/>.

To purchase through the Marketplace, you:

- Must be a citizen or national, or otherwise live in the U.S. legally (<https://www.healthcare.gov/immigrants/immigration-status/>)
- Cannot be incarcerated
- Cannot be eligible for Medicare benefits

Anyone who qualifies to purchase insurance through the Marketplace can do so during “Open Enrollment” (typically a one-to-two-month period toward the end of each year). Outside of Open Enrollment, you can obtain or change coverage only if you qualify for Medicaid or the Children’s Health Insurance Program (see below for details) or if you’ve had a qualifying life event (for example, losing employer-sponsored health coverage, moving out of your insurer’s service area, getting married or adding a child to the household) that makes you eligible for Special Enrollment. (Get details at <https://www.healthcare.gov/coverage-outside-open-enrollment/special-enrollment-period/>. Find out if you qualify to get or change health care coverage at <https://www.healthcare.gov/screener/>.) If you qualify for Special Enrollment, you typically have up to 60 days following the qualifying event to enroll in a plan. If you miss that window, you’ll have to wait until the next Open Enrollment Period.

Plans offered through the Marketplace are categorized into four levels of coverage—Bronze, Silver, Gold and Platinum, with Bronze plans



having the lowest premiums but highest potential out-of-pocket service costs and Platinum plans having the highest premiums but lowest out-of-pocket costs (<https://www.healthcare.gov/choose-a-plan/plans-categories/>). Only Silver plans qualify for cost-sharing subsidies.

Whether or not you qualify for premium tax credits or subsidies depends on your estimated household income (<https://www.healthcare.gov/income-and-household-information/how-to-report/>).

Another option, with limited eligibility, is a catastrophic health plan, which is available only to younger (under 30) consumers or those of any age who qualify for a “hardship exemption” (<https://www.healthcare.gov/health-coverage-exemptions/hardship-exemptions/>). It offers lower monthly premiums than any of the others, but generally requires you to pay all your medical costs up to the deductible, and it does not qualify for premium tax credits or cost-sharing subsidies.

When choosing a plan, consider the total cost—monthly premium, deductible, copayments/coinsurance and the out-of-pocket maximum (the most you could have to pay out-of-pocket for covered services in a year, after which the insurance company pays 100% of the cost for

covered services)—as well as any subsidies you might qualify for under a Silver plan.

Also try to estimate the medical care you'll need during the plan year. Generally speaking, if you expect to need a lot of care (many doctor visits, prescriptions, a surgery, etc.), consider a Gold or Platinum plan. If you don't expect to need much medical care or prescriptions, a Bronze plan might be sufficient. And if you qualify for cost-sharing subsidies, you can only get them on a Silver plan. You can always change your plan during the next Open Enrollment Period if things change.

Beyond cost, you'll need to select from a variety of plans with different quality ratings (<https://www.healthcare.gov/quality-ratings/>) and provider access. (HealthCare.gov's "What You Should Know About Provider Networks" [<https://marketplace.cms.gov/outreach-and-education/what-you-should-know-provider-networks.pdf>] explains the differences between PPOs, HMOs, EPOs and POS plans and what to consider when making a choice.)

## Direct (non-Marketplace) health plans

Individual health insurance policies are available "off-exchange"—outside the federal and state marketplaces (except in Washington, D.C.). These health insurance plans can be purchased from an insurance company, an agent, a broker or an online health insurance seller. (A single broker or online seller may sell only certain companies' plans, so you might want to contact more than one to learn about more options.)

However, buying a health insurance plan outside the Marketplace disqualifies you from receiving premium tax credits and/or cost-sharing subsi-

dies based on your income. So, before you go off-exchange, do a quick online check to see if you might qualify for savings: <https://www.healthcare.gov/lower-costs/>.

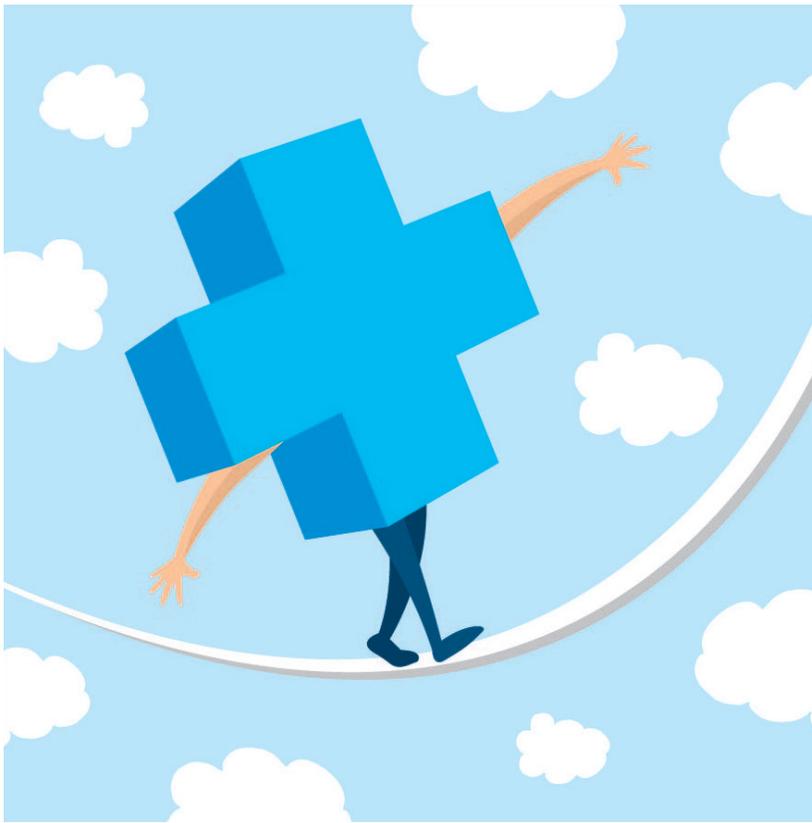
If not, you can still buy health insurance through the Marketplace, but it can be smart to shop around off-exchange to compare options. In particular, people who are interested in Silver-level coverage but don't qualify for tax credits or subsidies on the exchange might find that type of coverage at a lower cost off-exchange. (Read about what to consider when deciding where to buy in HealthInsurance.org's "Should you look outside the ACA's exchanges?": <https://www.healthinsurance.org/obamacare-enrollment-guide/off-exchange-plans/>.)

**Note:** Although the ACA's "individual mandate" penalty—a fine on individuals without insurance—was eliminated on the federal level as of 2019, some states still impose a financial penalty on anyone who goes uninsured. New Jersey, Massachusetts, Vermont, Washington, D.C., Rhode Island and California have mandates already in effect or starting in 2020. Some other states are considering imposing one.

When shopping off-exchange, go through the same steps you would when comparing options on the exchange: consider the total cost—monthly premium, deductible, copayments/coinsurance and the out-of-pocket maximum; try to estimate the medical care you'll need during the plan year so that you can do a cost analysis (higher premium and greater coverage vs. lower premium and less coverage); compare ratings (quality, customer satisfaction, etc.) of plans; and check that the

network type and physician access meet your needs.

All "major medical" plans, whether sold through the Marketplace or outside it, must be ACA-compliant, meaning that they meet all the minimum requirements of the law. Plans sold through the Marketplace (or on the exchanges) must also be certified as qualified health plans (QHPs), and the exchanges can require that QHPs exceed the basic guidelines of the ACA. Plans sold off-exchange can be certified QHPs as well, but they are not required to be. Regardless



of-pocket expenses or denials of coverage when medical care is needed, making them almost worthless. Do not rely on these plans if you are already ill or have a chronic condition. Read about the risks of these plans at FamiliesUSA.org (<https://familiesusa.org/resources/seven-reasons-the-trump-administrations-short-term-health-plans-are-harmful-to-families/>). You can avoid buying one of these subpar policies by buying through an exchange or by verifying that an off-exchange plan you are purchasing is an ACA-compliant major medical plan.

## Low-income government health care (Medicaid and CHIP)

If you can't afford to purchase an individual health plan, and you don't have coverage through work or Medicare, a federal/state government partnership offers health care coverage through Medicaid and the Children's Health Insurance Program (CHIP). (Some states use different names for these programs: <https://www.healthcare.gov/medicaid-chip-program-names/>.)

Under federal law, Medicaid in all states must cover certain groups, including low-income families, qualified pregnant women and children, and Supplemental Security Income (SSI) recipients (<https://www.medicaid.gov/medicaid/eligibility/index.html>). Most states have expanded coverage to nearly all low-income Americans under the Medicare-eligible age of 65. (In the dozen or so states that haven't, childless adults will have trouble qualifying on income alone.) In general, permanent resident immigrants (green card holders) are eligible for Medicaid and CHIP after five years of residence if they also meet all other program requirements. (However, non-citizens should be aware that the use of Medicaid and certain other public benefits could have an impact on future immigration/citizenship proceedings under "public charge" rules.) Get details about eligibility for both Medicaid and CHIP on the

of whether you purchase insurance through the Marketplace or outside it, the annual Open Enrollment Period and Special Enrollment eligibility criteria for ACA-compliant health plans apply (except in Nevada, where enrollment is allowed year-round). (In some limited cases, insurers sell individual plans outside Open Enrollment that count as qualifying health coverage, but most do not.)

### Buyer beware

In addition to ACA-compliant major medical plans being sold outside the Marketplace, there are other, non-ACA-compliant plans available. These include "limited-benefit" plans and short-term plans. (In mid-2018, the Trump administration made it legal to sell non-ACA-compliant health plans with terms of as much as 364 days—renewable up to 36 months—rather than the previous limit of 90 days. Some states apply different limits.) The lower premiums on these plans can be attractive, but they often come with exclusions for pre-existing conditions, offer limited coverage, and result in huge out-

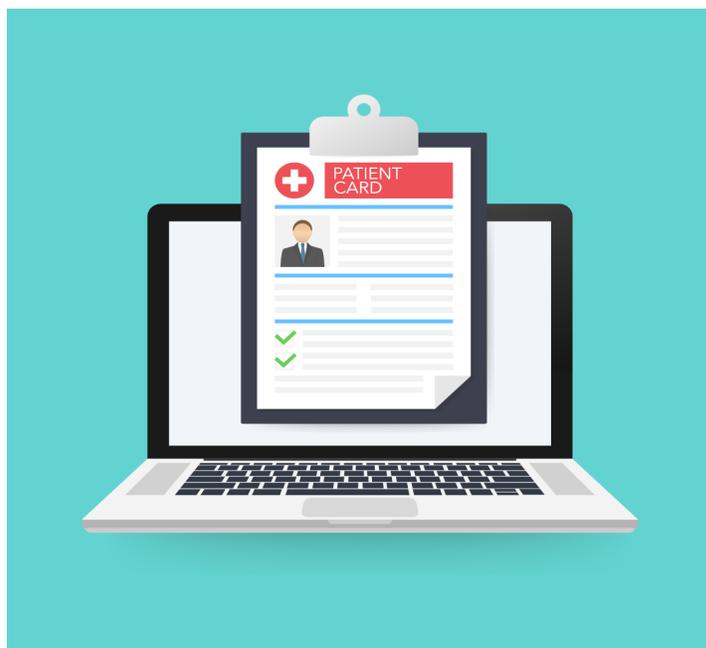
HealthCare.gov website (<https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>).

The federal Medicaid program covers certain mandatory health care services (inpatient and outpatient hospital services, lab tests and X-rays, emergency room care, etc.). States have the option to also cover things like prescription drugs, physical therapy, etc. All state Medicaid programs provide dental benefits to children, and a little over half the states offer adult dentistry, too. Most states pay for eye exams and glasses. (Learn more at the Medicaid website: <https://www.medicaid.gov/medicaid/benefits/list-of-benefits/index.html>.)

Medicaid pays for some services (such as emergency room visits) without a copayment. A copay might be required for other services, depending on what state you live in. Each state has the option of setting premiums, deductibles and out-of-pocket costs for some Medicaid beneficiaries. Generally, small monthly premiums may be required for higher earners. (Get state-specific details about Medicaid at the HealthInsurance.org website: <https://www.healthinsurance.org/medicaid/>.)

The Children's Health Insurance Program (<https://www.healthcare.gov/medicaid-chip/childrens-health-insurance-program/>) provides low-cost health coverage to children in families that earn too much money to qualify for Medicaid but not enough to buy private insurance.

You can enroll in both Medicaid and CHIP through the Health Insurance Marketplace (<https://www.healthcare.gov/>) at any time (there is no Open Enrollment Period), or directly with your state Medicaid agency. If you apply through the federal Marketplace website, they'll send your information to your state agency if it looks like anyone in your household is eligible for Medicaid or CHIP. They'll also let you know if you qualify for an individual insurance plan with savings based on your income instead.



## Health care for undocumented immigrants

Undocumented immigrants are not eligible to purchase insurance or receive tax credits or subsidies through the Health Insurance Marketplace. They generally are not eligible for federal health insurance programs such as Medicaid and CHIP either, but there are exceptions. For example, some states have extended prenatal care to undocumented pregnant women. Also, five states—California, Illinois, Massachusetts, New York and Washington—and Washington, D.C., offer health insurance coverage to undocumented children younger than 18. (California extends government-subsidized health benefits to low-income, undocumented adults up to age 25.) Unauthorized immigrants can also buy health insurance directly from brokers, but the cost may be prohibitive without the subsidies and other protections provided under the Affordable Care Act.

Households of mixed immigration status can apply for Marketplace coverage, Medicaid and CHIP for those family members who are eligible.

Undocumented immigrants can receive emergency medical care under Medicaid, and may be able to obtain other medical services through

public health programs, including federally qualified health centers. These low-cost community health centers, located in both urban and rural areas, charge based on income for services including general primary care, women's care, prenatal care, oral health care, substance abuse services and referrals to specialized care. Health center employees do not ask for proof of immigration status. Find a health center near you: <https://www.findahealthcenter.hrsa.gov/>.

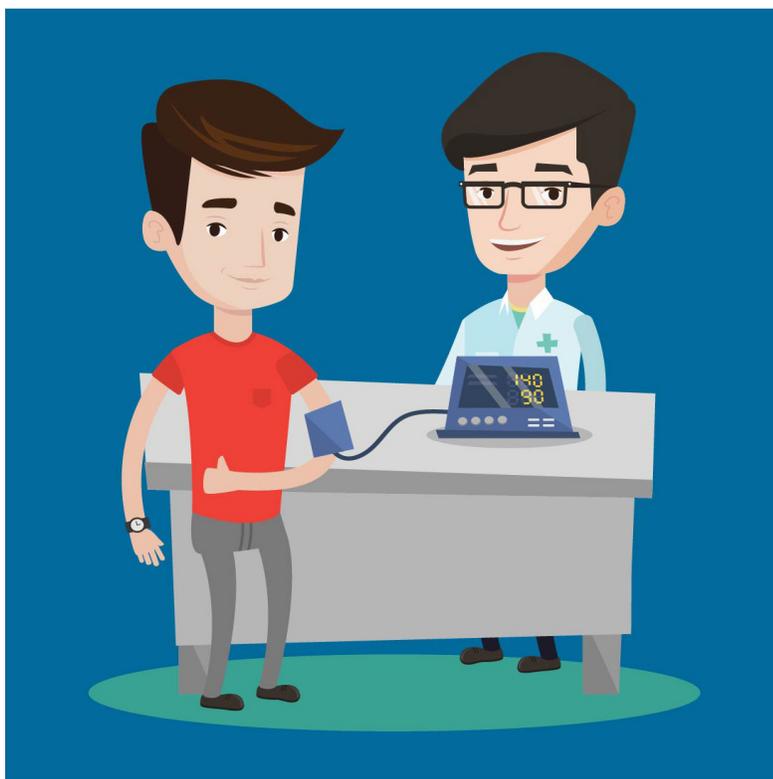
The National Association of Free & Charitable Clinics is another resource that can help you find a nearby clinic: <https://www.nafcclinics.org/find-clinic>.

If you need emergency medical attention, you can go to almost any hospital. Under federal law, hospitals that receive federal funding (which is most) must treat patients who need emergency care regardless of their immigration or insurance status. (Learn more at AllLaw.com [<https://www.alllaw.com/articles/nolo/medical-malpractice/uninsured-patient-denied-emergency-treatment.html>] and PatientAdvocate.org [<https://www.patientadvocate.org/explore-our-resources/preventing-medical-debt/uninsured-and-facing-an-emergency-know-your-rights/>].) Your state's laws might provide you with some additional rights.

If your situation is urgent but not extremely serious or life-threatening, you may get quicker and less expensive care by visiting an independent urgent care facility, or one inside a hospital, rather than an emergency room. (Learn more at <https://www.cnet.com/news/how-to-find-urgent-care-and-avoid-a-hefty-hospital-bill/>.)

## Health care for students and young adults

There are a range of factors (including your age, your employment status and whether you are a student) that determine what health care coverage options are available to you. Depending on your situation, you might be able to get coverage under a parent's or spouse's health plan, through your job, through your school, under



Medicaid, or purchased through the Marketplace.

Here are a few key facts to be aware of:

- You can stay on your parent's plan until you're 26 (if the plan offers dependent coverage).
- Your employer's health insurance is probably your best option (assuming it qualifies as "minimum essential coverage").
- If you're single and make less than around \$16,000 per year, you could qualify for no-cost Medicaid coverage in the 34 states that have expanded their program to include more low-income adults.
- Buying a plan through the Marketplace (HealthCare.gov) is probably your best option if you can't get free or cheap coverage through a parent, job, etc. (Beware of plans sold outside the Marketplace, as many provide substandard coverage.)

Learn more about your options and how to make wise health care insurance choices in the Young Invincibles publication *#HealthyAdulting 101: How Does My Health Insurance Work?* (<http://younginvincibles.org/wp-content/uploads/2018/10/2018-Healthy-Adulting-Toolkit.pdf>).



## Prescription assistance

If you don't have health insurance, or if your coverage doesn't have a generous prescription benefit, paying for medications can be difficult or impossible without financial help. Following are a variety of prescription assistance services. (You can also do your own online search for keywords "prescription assistance" to find others or to get updated information.)

■ **RxHope** (<https://www.rxhope.com/>) provides an expedited electronic application process and guidance through pharmaceutical companies' patient assistance programs (<https://www.rxassist.org/faqs>), through which they distribute free or discounted drugs to low-income consumers. Services to patients are free of charge.

■ **RxAssist** (<https://www.rxassist.org/>) offers a comprehensive database of patient assistance programs, as well as practical tools, news and articles to help you find the information you need.

■ **NeedyMeds** (<https://www.needymeds.org/>) is a source of information about prescription assistance programs, coupons, rebates and other types of assistance. Hover on the "Patient

Savings" tab near the top of the page to view the list of options.

■ **The Medicine Assistance Tool** (<https://medicineassistancetool.org/>) is a free, confidential search engine that helps users find information about financial assistance programs offered by the pharmaceutical industry.

Get more information at the government's "Pharmaceutical Assistance Program" webpage: <https://www.medicare.gov/pharmaceutical-assistance-program/>.

## Complaints

If you have a complaint about your individual health insurance, submit the complaint, in writing, to the health insurer's customer service department. You can also submit it to the agency that regulates health insurance in your state. This may be the Department of Insurance (find yours here: [https://www.naic.org/documents/members\\_membershiplist.pdf](https://www.naic.org/documents/members_membershiplist.pdf)), the Department of Managed Health Care (if your state has one of these) or something similar.

## Resources

■ **HealthCare.gov** (<https://www.healthcare.gov>) is the site of the federal Health Insurance Marketplace, where you can learn about and enroll in qualified plans (and link to your state's exchange, if it has one, and to Medicaid or CHIP). The site's glossary (<https://www.healthcare.gov/glossary/>) provides a comprehensive list of terms that can help you better understand what you read on HealthCare.gov and other health care-related websites.

■ **Medicaid.gov** (<https://www.medicaid.gov>) provides comprehensive federal and state-specific information about Medicaid and CHIP.

■ **HealthFinder.gov** (<https://healthfinder.gov/>), run by the U.S. Department of Health and Human Services, provides resources related to a wide range of health topics.

■ **Navigators** (<https://localhelp.healthcare.gov>) are individuals and organizations that provide

outreach, unbiased information and enrollment assistance for Marketplace (HealthCare.gov) and Medicaid coverage. (Funding for navigators has been slashed; HealthInsurance.org explains your other options for health insurance enrollment assistance: <https://www.healthinsurance.org/obamacare-enrollment-guide/who-should-help-me-enroll-in-a-health-plan/>.)

■ **HealthInsurance.org** (<https://www.healthinsurance.org>) provides extensive consumer education on every aspect of health care, from Marketplace and non-ACA-compliant plans to Medicare and Medicaid.

■ **Consumer Action's Health Insurance module** ([https://www.consumer-action.org/modules/module\\_health\\_insurance](https://www.consumer-action.org/modules/module_health_insurance)) offers free fact sheets like this one on the topics of employer-sponsored health insurance and Medicare, as well as a Q&A providing additional details on health insurance-related topics.

## About Consumer Action

[www.consumer-action.org](http://www.consumer-action.org)

Through multilingual consumer education materials, community outreach and issue-focused advocacy, Consumer Action empowers underrepresented consumers nationwide to assert their rights and financially prosper.

**Consumer advice and assistance:** Submit consumer complaints to <https://complaints.consumer-action.org/forms/english-form> or 415-777-9635 (Chinese, English and Spanish spoken).

## About this guide

Consumer Action's Insurance Education Project created this guide.

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