

# AARP HEALTH LAW ANSWERS

*HealthLawAnswers.org*

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## *Choosing a Health Insurance Plan: Coverage, Cost, Compare*

There are three major factors to consider when choosing a health insurance plan: Coverage, Cost and Compare. Each has its own unique set of questions. By considering each of these factors, you can choose the plan that works for you and your family.

It is helpful to know that plans bought through the Health Insurance Marketplace offer certain protections. Plans bought outside the marketplace may or may not offer these protections. That's why it is more important than ever to read about coverage and costs carefully so you choose the plan that best meets your needs.

### **COVERAGE**

Coverage means the range of health services covered by your health insurance plan, such as doctor visits, hospital visits, maternity care, emergency room care and prescription drugs. You'll want to see what is offered, whether there are limits on types of services and how often you can use them in a year.

- Plans purchased through the Health Insurance Marketplace must [offer a full set of benefits](#). It is helpful to know that if the plan asks what health conditions you have, it is likely not a

marketplace plan, and may not have the protections you need.

- Find out which services are covered beyond basic care and which services are not covered. If you need a specific type of care like orthopedic services, make sure the plan offers that type of coverage.
- Find out if the plan limits which doctors, hospitals and other providers you can use. If you have a favorite doctor, is he or she part of the network? What will happen if you want to see a provider who is out-of-network? Will you have to pay more? Are the in-network doctors and hospitals conveniently located for you?
- If you spend a lot of time out of state, check to see if you can get health care services in other states and what the provider network looks like outside your home state.
- Check out the prescription drug coverage. Make sure the pills you take regularly are covered. See if there are discounts on generic drugs or if you can receive your prescriptions by mail.
- If the plan asks what health conditions you have, you may have some benefits excluded because of your conditions, or you may have to pay an extra charge to get them. For example, some plans sold outside the marketplace may not include prescription drug coverage or will only cover those costs if you pay more.

## **COST**

It is important to understand the costs of your coverage.

- Premiums are the regular monthly payments you pay to your

plan. Be sure to look at all costs, not just the premium to get the whole picture of what you may pay for your health coverage. For example, a smaller premium may mean that certain benefits are not covered, which could end up costing you more in the long run.

- The deductible is the amount you have to pay for health services each year before the plan will cover costs. Let's say you have a \$200 deductible. You go to the doctor and the total cost is \$250. You pay the first \$200 to meet the deductible, and the insurance company pays \$50. You have satisfied the deductible for the rest of the calendar year. With plans purchased through the Health Insurance Marketplace and most employer plans, there are some services you can get without having to pay a deductible, such as preventive care.
- Coinsurance or copayment is a portion of the cost you may have to pay when you go to the doctor, get a prescription or use other covered care.
  - Coinsurance is a percentage amount, such as 20 percent of the allowed cost of a doctor visit. For example, if the plan's allowed amount for an office visit is \$100 and you've met your deductible, your coinsurance would be \$20.
  - A copayment (or "copay") is a set dollar amount. For example, you might pay \$15 for each prescription or doctor's visit.
- Out-of-network providers are doctors or other health professionals who are not part of your plan. Check to see if you have to pay more for an out-of-network provider.
- Plans sold outside the Health Insurance Marketplace may have

a limit on how much they will pay toward your health care costs each year. Be sure to check for any limits that may mean you will be responsible for more costs if you have an unexpected, high-cost illness.

## **COMPARE**

Once you understand health plan coverage and costs, you can begin to make comparisons and choose the plan that gives you the best value for the coverage you need. The health care law makes it easier to understand health plan coverage and costs and to compare plans.

All plans bought through the Health Insurance Marketplace and all employer plans must now use a standard Summary of Benefits and Coverage (SBC) form. You can compare plans “apples to apples” because the information for each plan will be laid out in the same way, using language that you can understand. You’ll see it when you shop for coverage on your own or get coverage at your job (but not when you select a Medicare plan). If you do have health coverage and haven’t seen the SBC, ask your human resources department for a copy.

Plans bought outside the marketplace may not have the SBC form and may not have the same benefits and protections, making it difficult to compare costs and benefits.

If you need insurance, you can shop for it through the Health Insurance Marketplace. The marketplace makes it easy for you to both compare and buy plans and to get your health coverage questions answered. Through the marketplace, you can:

- Shop online and get help by phone or in person to find the plan that works for you and your family.
- Compare health plans based on benefits, cost and other features you find important.
- Find out what kind of financial help you may be able to get to buy health coverage.

## Learn More

- Find out how the health care law works for you and your family. Get started with AARP's Health Law Answers: [www.HealthLawAnswers.org](http://www.HealthLawAnswers.org).
- Learn more at AARP and the Health Care Law: [www.HealthLawFacts.org](http://www.HealthLawFacts.org).
- Use this [Health Insurance Marketplace Calculator](#) to get an estimate of the financial help you may qualify for and an estimate of your monthly payment (premium) for coverage you buy through the Health Insurance Marketplace.