

# Guide to Health Insurance

## Individual Insurance

### What is Individual Insurance?

- **Individual insurance plans are sold to individual people or families, not through an employer or association.** You can buy the plan directly from the insurance company or work through a broker or insurance sales agency.
- **Individual plans allow people the freedom to choose a plan with the benefits and cost that meet their needs.**
- **Individual insurance premiums are based on a person's age, gender, health status, and other factors.** Each person applying for individual coverage must complete an extensive health questionnaire inquiring about their health during the past 10 years. Based on the risk to the company, the person will either be offered or denied coverage. Once coverage is in place, it will not be cancelled as long as the person continues to pay their premiums on time.

These insurance companies are authorized to sell individual insurance in Whatcom County:

<b>Group Health Cooperative</b> 1-800-354-8815 <a href="http://www.ghc.org">www.ghc.org</a>	<b>Lifewise Health Plan</b> 1-888-836-6135 <a href="http://www.lifewisewa.com">www.lifewisewa.com</a>	<b>Premera Blue Cross</b> 1-800-752-6663 <a href="http://www.premera.com">www.premera.com</a>	<b>Regence Blue Shield</b> 1-888-344-8234 <a href="http://www.wa.regence.com">www.wa.regence.com</a>
<b>Time Insurance Company (Assurant Health)</b> 1-800-228-9415 <a href="http://www.assuranthealth.com">www.assuranthealth.com</a>	<b>KPS Health Plans First Choice Network Providers</b> 1-800-628-3753 <a href="http://www.kpshealthplans.com">www.kpshealthplans.com</a>	<b>Washington Health Program Community Health Plan</b> 1-800-660-9840 <a href="http://www.washingtonhealth.hca.wa.gov">www.washingtonhealth.hca.wa.gov</a>	

**For More Information:** use the internet, talk to an insurance broker, or contact each company directly to request plan information.

### How do I know which plan is right for me?

- Start by writing down what type of health care you are currently using and what health benefits are most important to you.  
\*\*\* For help see [Comparison Chart](#)\*\*\*
- Make sure you understand the meaning of the words being used and look specifically to see how each plan covers the kind of health care you are most likely to need.

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## Types of Individual Insurance

- **Comprehensive insurance** covers a full range of medical services. Your monthly premiums will be higher, but the costs at the time of service will generally be lower.
- **Catastrophic insurance**, unlike comprehensive plans, have lower monthly premiums and higher deductibles. They serve as protection against medical bankruptcy.
- **Blend Plans** tend to combine the low premium and high deductible of catastrophic plans with some 'up-front coverage' for the first several visits with a doctor.

See chart below for specifics on what each type of individual plan might cover in Washington State.

	Comprehensive Insurance	Catastrophic Insurance	Blend Plan
<b>Deductible</b> (amount you have to pay before insurance begins coverage)	Law does not define	<b>Usually about:</b> <ul style="list-style-type: none"> <li>• \$1,750 for individuals</li> <li>• \$3,500 for families</li> </ul>	<b>Usually about:</b> <ul style="list-style-type: none"> <li>• \$1,750 - \$3,500 for preferred providers</li> <li>• \$3,500 - \$7,000 for non-preferred providers</li> </ul>
<b>Yearly client out-of-pocket maximum</b> (amount you would have to pay in a year)	Law does not define	<b>Usually at least:</b> <ul style="list-style-type: none"> <li>• \$3,500 for individuals</li> <li>• \$6,500 for families</li> </ul>	<b>May be:</b> <ul style="list-style-type: none"> <li>• \$6,750 - \$8,500 for preferred providers</li> <li>• Unlimited for non-preferred providers</li> </ul>
<b>Coverage</b>	<b>Must cover:</b> <ul style="list-style-type: none"> <li>• Maternity Services</li> <li>• Prescription drugs (minimum \$2,000/year)</li> </ul> <b>Usually covers:</b> <ul style="list-style-type: none"> <li>• Preventive and hospital care with copays and coinsurances</li> </ul> See plan for details	<b>Usually covers:</b> <ul style="list-style-type: none"> <li>• Preventive and hospital care with copays and coinsurance <b>after you have met your deductible</b></li> </ul> See plan for details	<b>Usually covers:</b> <ul style="list-style-type: none"> <li>• Some preventive care covered up front, then hospital and other services after you meet the deductible</li> </ul> See plan for details
<b>Exclusions</b>	Law does not define	<b>Often doesn't cover:</b> <ul style="list-style-type: none"> <li>• Vision</li> <li>• Maternity</li> <li>• Dental</li> <li>• Prescription drugs</li> </ul>	<b>Often doesn't cover:</b> <ul style="list-style-type: none"> <li>• Vision</li> <li>• Maternity</li> <li>• Dental</li> <li>• Prescription drugs</li> </ul>
<b>Wait Period for Pre-existing Conditions</b>	<b>Up to nine months</b> ***If you are leaving a plan with equal or better coverage than your new plan, you may have a shorter wait period. See plan for details.		

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Questions? Call us: (360) 788-6594

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## Common Pitfalls with Individual Insurance:

### Pre-existing condition wait periods

Plans may require you to wait for a period of time until they cover a pre-existing condition

- Plans may not cover services for a condition that you received advice or treatment for before you had that plan.
- Some plans also have a 'prudent person clause' which means if a prudent person would have sought treatment for a condition before the plan began coverage, the plan may still call the condition pre-existing and not cover some services.
- If your prior plan's coverage is equal to or better than the new plan, you may have a shorter pre-existing wait period.
- Wait period length varies between plans

For more information, see

<http://www.whatcomalliance.org/services/documents/PECGlossary.pdf>

### Health Screening Questionnaire

You **MUST** complete this in order to get coverage unless you:

- Will exhaust your COBRA coverage
- Have 24 months of continuous coverage through an employer
- Have moved out of your existing plans' service area within WA
- Continue to receive care from a doctor who left your existing plan
- Have received a discontinuation of your conversion plan

If you do not pass the health screen questionnaire, you will be denied individual coverage and can then apply for the **Washington State Health Insurance Pool (WSHIP)**

- For more information, contact WSHIP directly at 1-800-877-5187 or visit <http://www.whatcomalliance.org/services/documents/WSHIP.pdf>
- See Section 21 for more information

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## What other types of insurance are there?

### Group Plans

- Group plans are sold to employers, professional organizations, unions, or other groups, who in turn offer that coverage to their employees/members.
- Generally, all members of a group must pick from the list of plans offered by their group.  
*For example, if there is only one insurance plan offered by an employer, an employee cannot choose some other plan from that insurance company with different benefits or premiums. These options are chosen usually on an annual basis by the group/employer.*
- Each group has rules that give the circumstances under which a member can choose not to take one or more parts of the coverage. This is done so that both healthy and less healthy employees are included which effects the premiums charged to the group.  
*For example, some employers allow employees to opt out of medical coverage while others require all employees to be covered on the group plan unless they can provide proof that they are covered by another group insurance plan such as from a spouse's job.*
- Group plans also vary in whether they are willing to cover dependants and which ones (spouse, children, children over 18, etc.)
- Group plan premiums are rated or priced based on the gender and age of all employees and the geographic area in which they live. Since the rate has been based on a composite of everyone's demographics all employees pay the same premium.
- Members cannot be excluded for their physical condition or age as long as they enroll during a specified enrollment period.  
*For example, employees usually have 31 days to enroll after completing 90 days on the job.*

### Student Insurance

Health Plans that are usually available to full-time students.

- May have slightly lower premiums than individual plans.
- Coverage is limited to the time a person is in school.
- Usually have limited providers and often offer less coverage than comprehensive plans.

### Temporary Insurance

Health plans that:

- Set a time limit on how long you can have coverage and often offer lower monthly premiums.
- Can be a less expensive alternative to COBRA during a transition from one job to another
- Can prevent having a pre-existing wait period as a result of a gap or lapse in coverage.

### Travel Insurance

Health plans that:

- Usually have open networks to allow for interstate or international travel.
- Vary widely depending on where the plan covers and the duration of the trip.
- Have variable processes for reimbursement, any dollar limits on benefits, and the application of "usual and customary charges (UCC)."
- May require patients to pay the difference between UCC and the actual cost of the service.

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## What are other ways to pay for healthcare besides insurance?

### Indemnity Plans

- A very complicated type of “coverage” and can vary widely in the benefits offered and how benefits are paid
- Many indemnity plans do not pay based on the cost of a service, but rather reimburse the patient (not the provider) a set dollar amount for each type of service.  
*For example, \$300/day for hospital stays.*
- Some employers offer an indemnity plan instead of a traditional health insurance, especially for dental and vision coverage.
- Other employers offer them in addition to a health insurance plan as a sort of supplement.  
*For example, to cover the deductible or put a certain dollar amount toward coinsurances and copays they expect to pay over the year.*

### Health Savings Account (HSA)

- A tax-free bank account where you can save money to pay for healthcare expenses for you and your family.
- To open an HSA account, you must have a **High-Deductible Health Plan (HDHP)** with an annual deductible of at least \$1,100 (per individual) and \$2,200 (per family).
- Funds in this account can help pay for expenses not covered by your health plan, such as vision, dental, over the counter drugs, and the deductible on your health plan

More information: [http://www.whatcomalliance.org/services/health\\_savings\\_accounts.htm](http://www.whatcomalliance.org/services/health_savings_accounts.htm)

### Flexible Spending Accounts

FSAs are not health insurance but are offered by many employers as a tax-free way to pay for medical expenses. Generally, employees and/or employers contribute money to these accounts and then employees spend that money on their healthcare expenses. **Any money not used by the end of the year is lost.**