



## Your Guide to Health Insurance

### How to Choose the Best Health Plan

LEARN

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# Understanding Health Insurance

Health insurance can be tough to understand. And with the new health care law in place, it's important to know how it affects you, your family, or your business. How do you pick the right health plan? Do you qualify for financial help? How do you apply?

Health insurance is one of the most important things you can provide for your employees or your family. However, many things about health insurance are changing. AmeriHealth New Jersey is here to help you get the facts you need to make the right choice.

## Health Exchanges and Health Insurance Marketplaces

AmeriHealth New Jersey's expanded product portfolio offers individuals and small businesses in New Jersey a variety of options both on and off the federally facilitated exchange. **On Exchange** refers to products offered on the Small Business Health Options Program (SHOP) and the Individual Marketplace.

**Off Exchange** means you can purchase coverage in the market, exactly as you did before the Affordable Care Act (ACA), directly with an insurance company, or through a broker.

## Individuals and Families

The federally facilitated exchange for individuals and families is known as the Health Insurance Marketplace. It is a new online website where you can compare and buy health plans. The Marketplace will also link to a federal database and find out if you qualify for tax credits. You can then view apples-to-apples comparisons about the qualified health plans in your area that may be right for you.

## Small Employers

The SHOP is a new way small employers can purchase a group plan. The SHOP provides employers with a comparison of health plans from the participating insurance companies, offers assistance with modeling employee contributions, and provides real-time premium quotes. If you are a small employer that qualifies for the small business health care tax credits available under the ACA, the only way to have access to the tax credits is to buy a plan through the SHOP.

## Health Insurance Basics

### Why health insurance is important

Health insurance can help protect you from the potentially devastating personal and financial cost of illness and injury. Without health insurance, an ear infection can cost more than \$100 to treat, a broken leg can cost over \$5,000, and a heart attack can cost more than \$70,000.\*

Health insurance is important because it helps you protect your health and well-being, primarily through its coverage of preventive care services. It also limits your risk of paying for very expensive illnesses and injuries by covering other services, such as hospitalization and surgery.

### How health insurance works

You choose a plan based on the cost of the plan and services it covers. For most plans, you will pay a fixed amount each month, known as a premium or monthly rate. In addition to your premium, you may also pay each time you receive care from a doctor or hospital, have a prescription filled, or get some type of medical care. These payments are often called cost-sharing, or out-of-pocket costs, and come in the following types: deductible, copay, and coinsurance. For a detailed explanation of these terms please refer to the glossary on page 11.

\*Source: FAIR Health.

# Health Care Law and You

Now that the ACA has been passed and signed into law, there are several changes that may affect you and your family. The good news is that this basic fact isn't changing: health insurance is one of the most important things you can have for your well-being. It pays for services that help you stay healthy and covers the cost of health care when you're sick or injured.

## Here's a look at some of the important changes that begin January 1, 2014:

- You will be required to have health insurance. If you do not have the option of purchasing health insurance through an employer, you will be required to purchase insurance on your own. If you choose not to purchase health insurance, you will have to pay a penalty to the government unless you meet certain requirements (visit [www.healthcare.gov](http://www.healthcare.gov) for more information on penalties).
- Tax credits, or subsidies, will be available to help people pay for insurance. Depending on how much money you make and how many people are in your family, you may qualify for financial assistance from the federal government.
- To make it easier for you to compare plans across companies, the federal government created four levels of coverage — platinum, gold, silver, and bronze. Platinum health plans will cost you the most each month, but your out-of-pocket costs each time you need care will probably be lower. Bronze health plans will have the lowest monthly costs but will likely have higher out-of-pocket costs when you use services.
- Health plans will include 10 core benefits, known as essential health benefits.
- Catastrophic health plans will be available for some people. If you are under age 30 or have an extreme financial hardship, you may be eligible for a catastrophic plan. Catastrophic plans will include the 10 essential health benefits, but will have a higher deductible than the plans in the platinum, gold, silver, and bronze categories.

If you would like additional information on the health care law, visit [ahnj4u.com](http://ahnj4u.com).

Essential Health Benefit	Example
 Preventive, wellness and disease management services	Physical, flu shot, gynecological exam, birth control
 Emergency care	Treatment for broken bones, heart attacks and more at a hospital emergency room
 Ambulatory services	Minor surgeries, blood tests, X-rays
 Hospitalization	Treatment at a hospital for a condition that requires you to stay overnight or multiple days
 Maternity and newborn services	Care through the course of a pregnancy, delivery of the baby and checkups after the baby is born
 Pediatric services, including dental and vision	Well visits, shots to prevent serious health conditions, teeth cleanings, braces, exams, glasses and contact lenses
 Prescription drugs	High blood pressure medicine, insulin, antibiotics, birth control pills
 Laboratory services	Blood test
 Mental health and substance abuse services, including behavioral health treatment	Getting help to deal with conditions like depression, alcohol abuse, and drug abuse
 Rehabilitation and habilitation services	Physical therapy, speech therapy, occupational therapy

In addition, insurers will cover 100 percent of the cost of many **preventive services**, such as wellness visits, immunizations, screenings for cancer, and other diseases. That means you will not pay any **deductible, copayments, or coinsurance** for many preventive services that can help you stay healthy.

# Types of Networks and Health Plans

**There are several types of health plans that you can choose from.**

Each plan works a little differently and is associated with a network of doctors, hospitals, and other health care providers.

## Networks

AmeriHealth New Jersey has a variety of network options to suit the unique needs of you, your family, or your business.

**National Access** – Our most comprehensive network, offering coverage in all 50 states.<sup>1</sup>

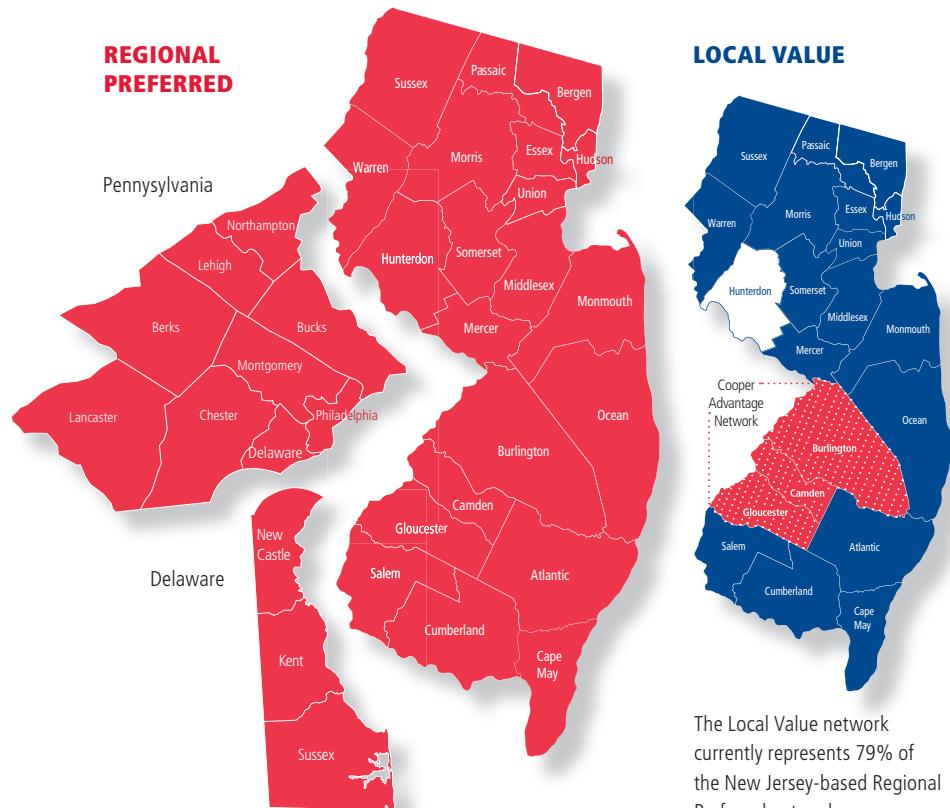
**Regional Preferred** – The largest network of doctors, hospitals, and labs in the state of New Jersey.<sup>2</sup> Members have access to participating physicians and providers in New Jersey, Pennsylvania, and Delaware.

**Local Value** – Offers a subset of our Regional Preferred network for individuals or employers looking for a more affordable rate. The Local Value network currently represents 79% of the New Jersey-based Regional Preferred network.<sup>3</sup>

**Tier 1 Advantage** – Introducing plans with a tiered network. To offer individuals and small employers even more affordable plans, we've added tiered network plans to our portfolio. The Tier 1 Advantage plans work just like a typical EPO HSA in that members have in-network coverage, no referrals, and the freedom of not choosing a Primary Care Physician (PCP) to coordinate care. These innovative plans are new to the state of New Jersey, grouping the most efficient providers into a single network, based on cost and quality measures.

Savings are passed down to members by creating two tiers of facility services. After members meet their yearly deductible, the Tier 1 Advantage plan offers flexibility to pay lower out-of-pocket costs for facility services if they use one of our Tier 1 Advantage providers. Members always have the option to choose providers in Tier 2 and have their services covered by using the AmeriHealth New Jersey Value Network.<sup>4</sup>

**Cooper Advantage Network** – AmeriHealth New Jersey and Cooper University Health Care are working together to offer you affordable, high-quality health care. Our Cooper Advantage plans are tailored to meet the needs of individuals and small employers based in Camden, Gloucester, and Burlington Counties. We have developed these health insurance plans to provide South Jersey with new options that focus on affordability, while offering access to exceptional patient care from Cooper’s 500+ physician network and over 100 outpatient offices.<sup>4</sup>



<sup>1</sup>Coverage provided by Multiplan PHCS National Network. AmeriHealth New Jersey members accessing care in the AmeriHealth New Jersey service area must use the Regional Preferred network.

<sup>2</sup>Data derived from analysis from information provided by a third party vendor and is subject to change.

<sup>3</sup>The Local Value Network is not available in Hunterdon County.

<sup>4</sup>Tier 1 is an enhancement to your benefits. All services not covered under Tier 1 Network will be covered under Tier 2 Local Value Network.

# Health Plans

## Health Maintenance Organization (HMO)

In an HMO, you choose a family doctor, called a PCP, who provides the services you need. Your PCP refers you to other doctors or health care providers within the HMO network when you need specialized care. Typically, only emergency services are covered if you go outside of the plan network. If you select a Plus product, no referral is required.

## Point-of-Service (POS)

POS plans combine features of HMOs and PPOs. You choose a PCP, but you have the flexibility to see doctors, hospitals, or other health care providers both in the network and outside the network. Members who obtain services within the network with a provider referral will receive care at the in-network cost. Members can also "self-refer" care, meaning that a member can receive benefits without a referral by a network or non-network provider, paid at the out-of-network level. If you select a Plus product, no referral is required.

## Exclusive Provider Organization (EPO)

An EPO does not require referrals or the selection of a PCP. EPO members are free to receive benefits anywhere in-network without a referral. An EPO plan only has in-network benefits, except emergent and urgent care.

## Exclusive Provider Organization with a Health Savings Account (EPO with HSA)

An EPO with HSA has all the standard characteristics of an EPO: it does not require referrals or the selection of a PCP and members are free to receive benefits anywhere in-network without a referral. An HSA is a health savings account for individuals with health plans that have high deductibles. You can contribute pre-tax dollars to an HSA. You can use these tax-free funds to pay for approved health costs.

## Level of Coverage: Platinum, Gold, Silver, or Bronze

All health plans are categorized by the level of coverage they offer – platinum, gold, silver, or bronze. The only exceptions are catastrophic plans, which will be available for people under age 30 or those with an extreme financial hardship who qualify for an exemption. Plans will be assigned one of the metal categories based on how much of the cost of health care services is covered by the health insurance company. The metal categories will make it easier for you to compare plans among health insurance companies. All plans will cover the essential health benefits like doctor visits, prescription drugs, X-rays, and hospital stays. The major differences will be in what you pay when you need these services and the monthly cost of the plan.

### How the metal tiers compare on costs:



Monthly Cost	\$\$\$\$	\$\$\$	\$\$	\$
Cost When You Get Care	\$	\$\$	\$\$\$	\$\$\$\$
Good Option If You...	plan to use a lot of health care services	want to save on monthly premiums while keeping your out-of-pocket costs low	need to balance your monthly premium with your out-of-pocket costs	don't plan to need a lot of health care services

As you can see, bronze health plans will have the lowest monthly costs but will likely have higher out-of-pocket costs when you get care. Platinum health plans will cost you the most each month, but your costs each time you need care will probably be lower. The gold and silver plans will fall somewhere in the middle.

## How to choose and apply for a health plan

Now that you have a better understanding of the health care law and the types of health insurance available to you, it's time to find the best health plan. AmeriHealth New Jersey makes applying and paying for health insurance easy by providing you with several options that suit your needs. Please refer to the AmeriHealth New Jersey Benefits at a Glance booklet that lists all of our plan options.

### Shopping for health insurance just got easier

When you visit [ahnj4u.com](http://ahnj4u.com), it's easier than ever to find the best plan for you. Our online shopping experience will help you compare plans, monthly rates, and out-of-pocket costs. By answering just a few simple questions, you can see the plans that are the best match and lowest cost. And, you no longer have to guess how much your plan will cost. We can show you your estimated monthly premiums and cost-sharing based on the information you provide us. Visit [ahnj4u.com](http://ahnj4u.com) to learn more.

### Individuals and Families

Apply by phone  
888.879.5456

### Small Employers

Contact your broker

## Glossary of Common Health Care Terms

Here are simple definitions of some of the health insurance terms in this guide:

- **Coinsurance**

The percentage you pay for some covered services. If your coinsurance is 20 percent, your health insurance company will pay 80 percent of the cost of covered services, and you will pay the remaining 20 percent.

- **Copayment (Copay)**

The fee you pay when you see a doctor or get other services.

- **Cost-sharing**

The amount you pay for your health care costs beyond your premium. This includes your deductible, copayments, and coinsurance fees.

- **Deductible**

The amount you pay each year before you start to receive insurance benefits.

- **Out-of-pocket costs**

The amount you pay for your health care services. The health care law sets a limit on your out-of-pocket costs, called an out-of-pocket maximum. Once you pay this amount, your health plan will pay 100 percent of the additional covered services you receive.

- **Premium**

The fee you pay to your insurance company each month to pay your share of your health plan's costs. This is separate from the deductible, copayments, and coinsurance amounts you pay when you use your benefits to receive covered services.

- **Preventive services**

Services that help you stay healthy. They may also detect some diseases in the early stages. Flu shots, mammograms, and cholesterol tests are examples of preventive services.

- **Primary care physician (PCP)**

The doctor you see for most of your health care needs. HMO plans require you to choose a PCP, who will refer you to a specialist when needed. PPOs do not require that you choose a primary care physician.

- **Referral**

If you have an HMO plan, your family doctor (or primary care physician) will need to write you a referral before you see other network providers, such as a heart doctor (cardiologist).

- **Specialist**

A specialist provides care for certain conditions in addition to the treatment provided by your family doctor (primary care physician). For example, you may need to see an allergist for allergies or an orthopedic surgeon for a knee injury.



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