

Insurance 101 and Educating Consumers on Insurance Enrollment - Scenarios October 2012

How does health insurance work?

Sally has insurance through her employer. Her policy has:

- \$1,000 annual deductible
- \$30 copay each time she visits her doctor
- \$150 copay for an emergency room visit
- 20 percent coinsurance
- \$2,000 out-of-pocket coinsurance limit

At the first of the year, Sally went to her doctor for her annual check-up.

- She paid a \$30 copay.
- **Her out-of-pocket expenses for the year = \$30**

This weekend Sally experienced abdominal pains and went to the emergency room.

- She paid a \$150 emergency room copay.
- **Her out-of-pocket expenses for the year = \$180**

At the emergency room, Sally was diagnosed with appendicitis and was admitted for an appendectomy. The total bill for the appendectomy, including the surgeon's charges and two days of hospitalization, was \$13,000.

- She paid her \$1,000 deductible (copayments typically do not count toward the deductible).
- **Her out-of-pocket expenses for the year = \$1,180**

Of the remaining \$12,000 (\$13,000 minus the deductible), Sally is responsible for paying 20 percent, and her insurance company will pay the remaining 80 percent. That means Sally's share would be \$2,400, and the insurer's share would be \$9,600.

- However, since Sally's policy has an out-of-pocket coinsurance limit of \$2,000, she pays only \$2,000.
- **Her out-of-pocket expenses for the year = \$3,180**

For the rest of the year, Sally may pay copays for doctor visits and prescriptions, but her insurance company will pay 100 percent of the cost for other covered treatments and services. Some policies have separate prescription drug benefits with different copays, deductibles, and maximum allowances. It is important to carefully review the policy to determine what copays remain once the out-of-pocket limit is met.

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Health Risk Pool — Scenario #1: Michael

Michael has been without insurance since January 2012.

- He was born in Maine and currently lives in Houston.
- He has pancreatic cancer.
- He was turned down by three insurance carriers.
- Texas Health Insurance Pool coverage is too expensive.

Can the Affordable Care Act help Michael get coverage today?

Yes, Michael would qualify for the Pre-Existing Condition Insurance Plan (PCIP). Michael is a U.S. citizen, has not had insurance for the past six months, and has been turned down by health insurance carriers because of his preexisting condition. Depending on his age and what PCIP deductible option Michael chooses, he would pay a monthly premium of \$133 to \$572. He would have immediate coverage with PCIP because the program does not impose a preexisting condition exclusionary period on new enrollees, regardless of how long they've been without health coverage.

Contact Consumer Protection at the Texas Department of Insurance for assistance with health insurance questions or concerns by calling the toll-free number 1-800-252-3439, via e-mail chap@tdi.state.tx.us, or visit the website www.texashealthoptions.com.

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People Living with HIV — Scenario #2: Juan

Juan is a 28-year old HIV- positive male.

- He is employed and earns \$32,000 a year.
- He is uninsured and resides in Texas.
- He is not eligible for medication assistance through the Texas HIV Medication Program (THMP) because he exceeds the income criteria of \$21,660 to qualify for THMP.
- He takes Isentress and Truvada for his HIV, and also takes Lexapro for depression.

Can the Affordable Care Act help Juan get coverage today?

Probably yes: assuming Juan is legally present in the U.S., has not had insurance for the past six months, and can provide appropriate documentation, he would be eligible for PCIP. Depending upon his deductible plan choices, he would pay a monthly premium of \$199 to \$268.

Other resources for Juan:

Most pharmaceutical companies have patient assistance programs that offer free medications to individuals who do not qualify for any other insurance or assistance programs, such as Medicaid, AIDS Drug Assistance Programs, and THMP. For more information visit the drug manufacturer's website or an information clearinghouse such as www.needymeds.org.

Additional information for the medications Juan needs can be found at:

- Isentress: 1-800-850-3430 or www.isentress.com
- Truvada: 1-800-226-2056 or www.truvada.com
- Lexapro: 1-800-851-0758 or www.forestpharm.com

A few pharmaceutical companies have launched a combined effort to provide significant price discounts (25 to 40 percent off retail prices) for 275 brand-name drugs to 36 million Americans who lack prescription drug coverage and are not eligible for Medicare. For more information visit www.togetherRxAccess.com or call 1-800-444-4106.

The Patient Advocate Foundation provides mediation and arbitration services to patients to remove obstacles to health care including medical debt crisis, insurance access issues, and employment issues for patients with chronic and life-threatening illnesses. Their website is www.patientadvocate.org or call 1-800-532-5274.

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People Living with HIV — Scenario #3: David

David is a 32-year old HIV-positive male.

- He is employed and earns \$8 per hour in cash.
- He is uninsured; his employer offers a group health plan but he is not enrolled.
- He takes Reyataz, Norvir and Truvada for his HIV and Lipitor for his cholesterol.

Can the Affordable Care Act help David get coverage today?

Probably yes: assuming David is legally present in the U.S., has not had insurance for the past six months, and can provide appropriate documentation, he would be eligible for PCIP. Depending upon his deductible plan choices, he would pay a monthly premium of \$199 to \$268.

Other resources for David:

The Texas HIV Medication Program (THMP) provides medications used in the treatment of HIV to individuals who are low-income and uninsured or underinsured for prescription drugs. The THMP is the official AIDS Drug Assistance Program (ADAP) for Texas. For more information, please visit www.dshs.state.tx.us/hivstd/meds or call 1-800-255-1090.

Most pharmaceutical companies have patient assistance programs that offer free medications to individuals who do not qualify for any other insurance or assistance programs, such as Medicaid or ADAPs like the THMP. For more information you can go directly to the drug manufacturer's website or look at one of the many information clearinghouses such as www.needymeds.org.

Additional information for the prescriptions David needs can be found at:

- Reyataz: 1-888-477-2669 or www.reyataz.com
- Norvir: 1-800-222-6885 or www.abbottpatientassistancefoundation.org
- Truvada: 1-800-266-2056 or www.truvada.com
- Lipitor: 1-866-706-2400 or www.pfizerhelpfulanswers.com

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People Living with HIV - Scenario #4: Susan

Susan is a 36-year old female, pregnant, and newly diagnosed with HIV.

- She is employed and earns \$15,000 a year.
- Her common-law spouse John, age 45, earns \$22,000 per year.
- She is uninsured; she and her husband cannot afford their employer-based coverage.
- She is in need of HIV medication: her doctor wants to start her on Kaletra and Combivir.

Can the Affordable Care Act help Susan get coverage today?

PCIP appears to be a good option for Susan, assuming she is legally present in the U.S. and has not had insurance for the past six months. If John meets these same criteria, including a documentable preexisting condition, he could also apply for PCIP. Depending upon Susan's deductible plan choices, she would pay a monthly premium of \$239 to \$323. Depending upon John's deductible plan choices, he would pay a monthly premium of \$306 to \$412.

Susan would not qualify for Medicaid or Prenatal CHIP because of her current household income level.

Other resources for Susan:

The Texas HIV Medication Program (THMP) provides medications used in the treatment of HIV to individuals who are low income and uninsured or underinsured for prescription drugs. The THMP is the official AIDS Drug Assistance Program (ADAP) for Texas. For more information, please visit www.dshs.state.tx.us/hivstd/meds or call 1-800-255-1090. The THMP will expedite applications for pregnant women; call the THMP for more information.

Most pharmaceutical companies have patient assistance programs that offer free medications to individuals who do not qualify for any other insurance or assistance programs, such as Medicaid or AIDS Drug Assistance Programs (ADAPs) like the THMP. For more information, visit the drug manufacturer's website or an information clearinghouse such as www.needymeds.org.

Additional information on the prescriptions Susan needs can be found at:

- Kaletra: 1-800-222-6885 or www.abbottpatientassistancefoundation.org
- Combivir: 1-877-784-4842 or www.ViiVHealthcareForYou.com

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People Living with HIV — Scenario #5: Maria

Maria is a 32-year old HIV-positive female with two HIV-negative children, one of whom has type-one diabetes.

- After five years with her employer, she lost her job three weeks ago because the company, a large employer, closed its U.S. operations. She had earned \$40,000 per year.
- She is now uninsured. COBRA extension coverage is not available to her because her former employer terminated its group health plan when it closed its doors.
- She takes Atripla for her HIV. Her child with diabetes is prescribed insulin.

Can the Affordable Care Act help Maria get coverage today?

PCIP is not yet an option for Maria. She has had insurance coverage within the past six months (assuming she meets the other criteria), so she would not be able to qualify for PCIP for another five months. She could apply for the Texas Health Insurance Pool, where she would have immediate coverage for her HIV care because she had at least 12 months of prior coverage. If she enrolls in the health pool, she would not be eligible for PCIP coverage. Her dependent children are also eligible for health pool coverage.

Other resources for Maria:

The Texas Insurance Code provides that group coverage can continue for employees and dependents not eligible for COBRA coverage for nine months after the date the employee elects to continue coverage. The employee should contact the Benefits Administrator through her employer as soon as possible for additional information.

2-1-1 Texas is a free, easy-to-remember phone number connecting callers with health and human services in their area. No matter where you live in Texas, you can call and get referrals to services available in your community. This service should provide Maria with information on how to obtain health coverage for her children either through Medicaid or Texas CHIP, a state-run insurance program for children. She may also call 1-877-543-7669 to reach CHIP directly.

The Texas HIV Medication Program (THMP) provides medications used in the treatment of HIV to individuals who are low income and uninsured or underinsured for prescription drugs. The THMP is the official AIDS Drug Assistance Program (ADAP) for Texas. For more information, please go online to www.dshs.state.tx.us/hivstd/meds or call 1-800-255-1090.

The makers of Atripla have a patient assistance program for individuals who do not qualify for other assistance or health insurance programs. Additional information may be obtained online at www.atripla.com or by calling 1-866-290-4767.

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