

Insurance 101 and Educating Clients on Insurance Enrollment

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Insurance 101

- ▶ The “Risk” business
 - Insurance is a two-party contract
 - Texas market – \$102.9 billion (premium)
 - Accident and health insurance – \$23.4 billion
 - Health maintenance organizations – \$12.9 billion

Insurance Products – Health

- Health Insurance – group and individual coverage; private market and self-funded plans
- Accident and health insurance – coverage for accidental injury, accidental death, and related health expenses

How Insurance Works – The Contract

- ▶ An insurance policy is a financial contract between a policyholder and an insurer, which is almost always an insurance company. The insurer agrees to pay in the event that the person or property insured suffers a type of loss named in the policy.
- ▶ When you buy an insurance policy, you´re buying protection. The policy helps to protect you against unexpected financial losses, whether you ever actually use the coverage or not.

Key Definitions

- ▶ **Premium** – A set fee to participate in a health care plan. If you have health coverage through your work, your premium will likely be deducted from your paycheck.
- ▶ **Deductible** – The amount you must pay out of your own pocket before the insurance company or HMO begins to pay its portion of claims. You usually must meet a deductible each year. If you have a family plan that covers your spouse or dependents, you may have one deductible for the entire family, or you may have to meet a separate deductible for each family member.

Definitions

- ▶ **Copayment** – The amount you must pay out of your own pocket when you receive medical care or a prescription drug. Copayments usually refer to set fees that HMOs charge to access health care services, but they also may apply to a PPO insurance contract.
- ▶ **Coinsurance** – The percentage of each health care bill you must pay out of your own pocket, including any noncovered charges and deductibles. Usually does not apply to HMO coverage.

How Insurance Works

- ▶ 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 on other covered expenses
 - \$2,000 out-of-pocket coinsurance limit
- ▶ Sally has an annual check-up.
- ▶ Sally has an emergency room visit and is admitted for an appendectomy.

How Insurance Works – Disputes

- ▶ Complaints against your insurance carrier's decision about your health care coverage

www.tdi.texas.gov – File a Complaint

- ▶ Independent review process
 - Not medically necessary
 - Investigational or experimental coverage denials

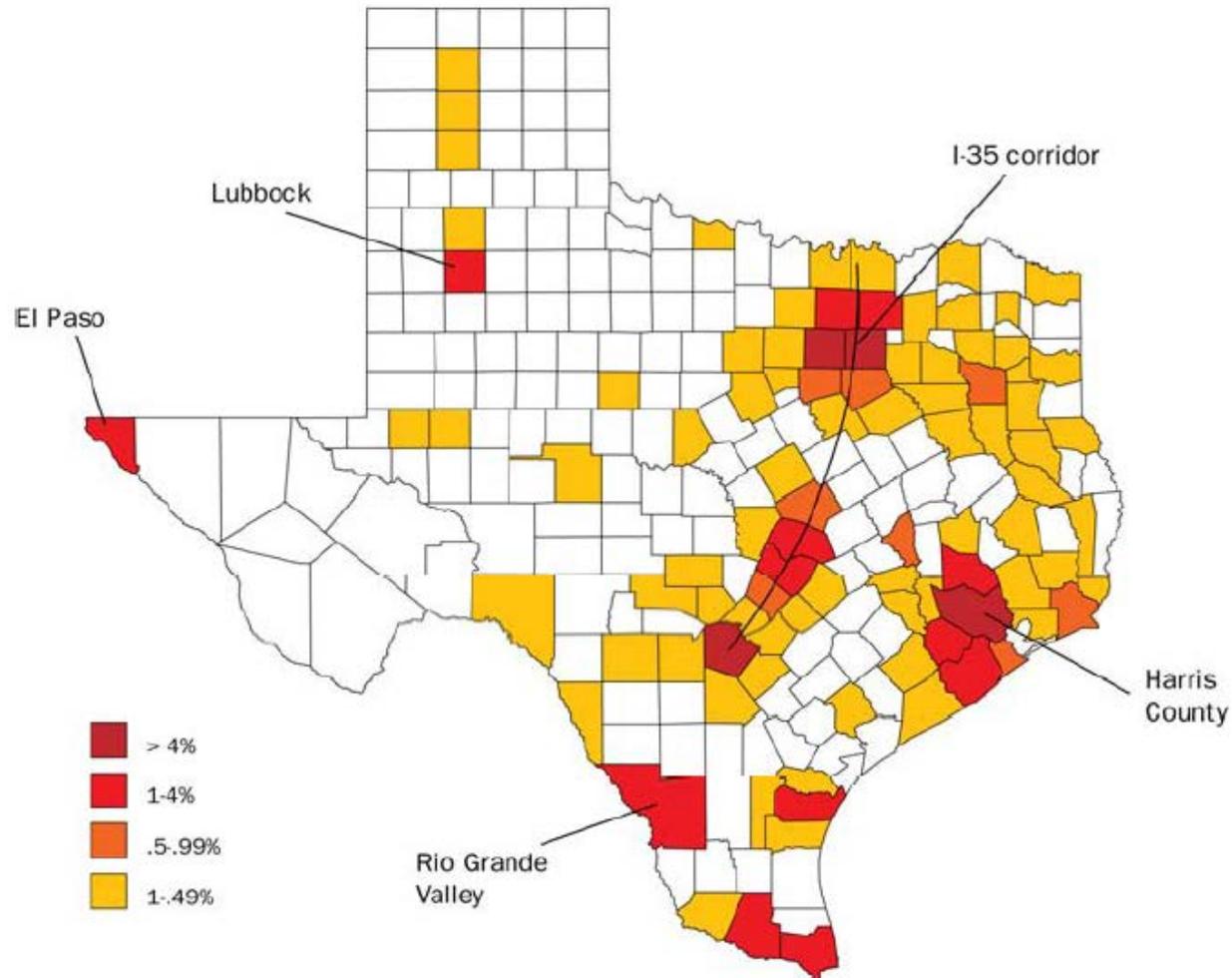
Federal Health Reform Overview

- ▶ What's available now?
- ▶ What three questions do you need to ask?
 - What is this?
 - Why is this important?
 - How can I help my clients?
- ▶ What resources are available?

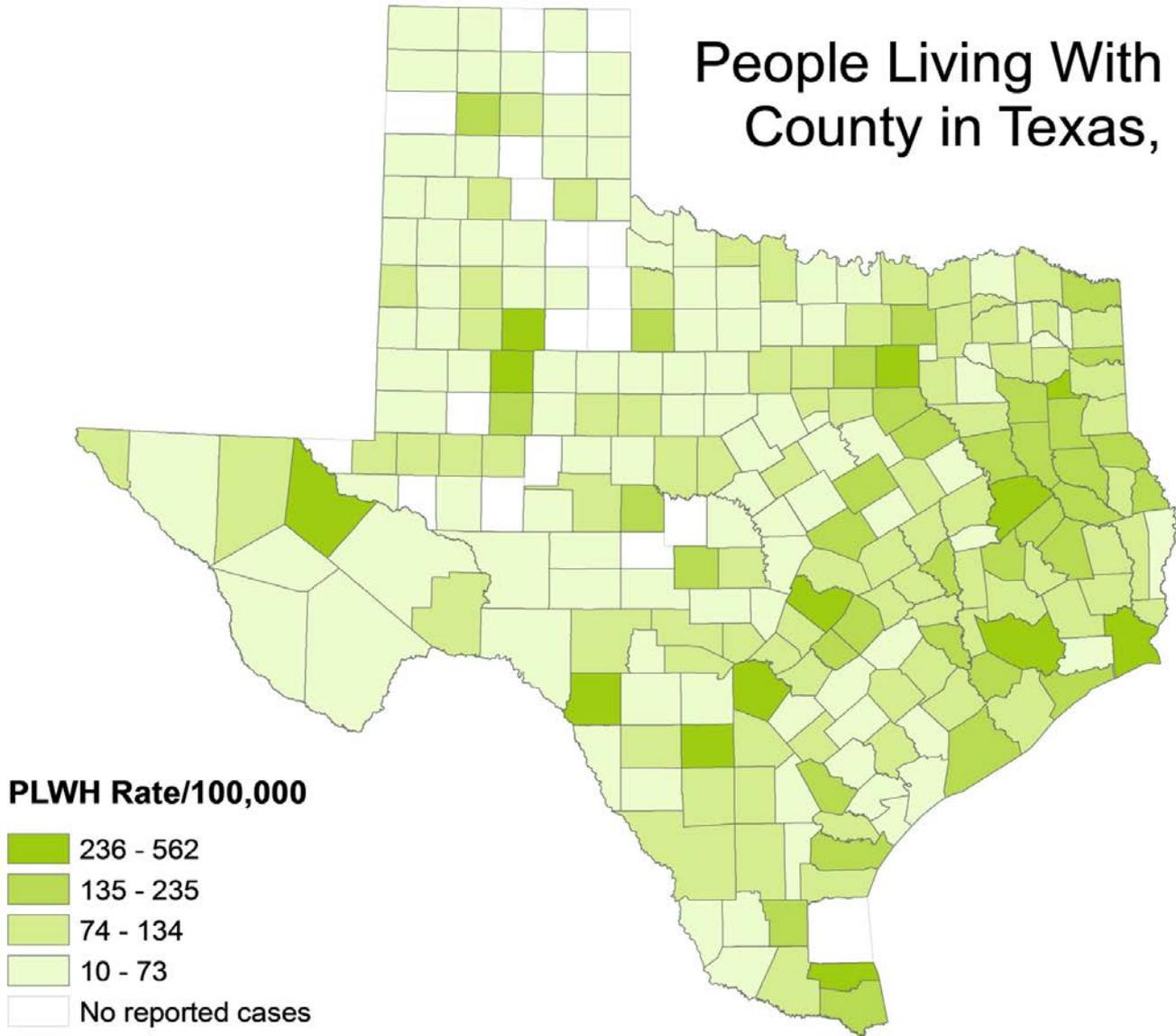
Key Features Available Now

- ▶ Pre-Existing Condition Insurance Plan (PCIP)
- ▶ Federal health care reform provides
 - new protections for you and your family
 - expanded benefits
 - lower costs
 - new, more affordable coverage options
 - help with appeals and complaints against your health plan.

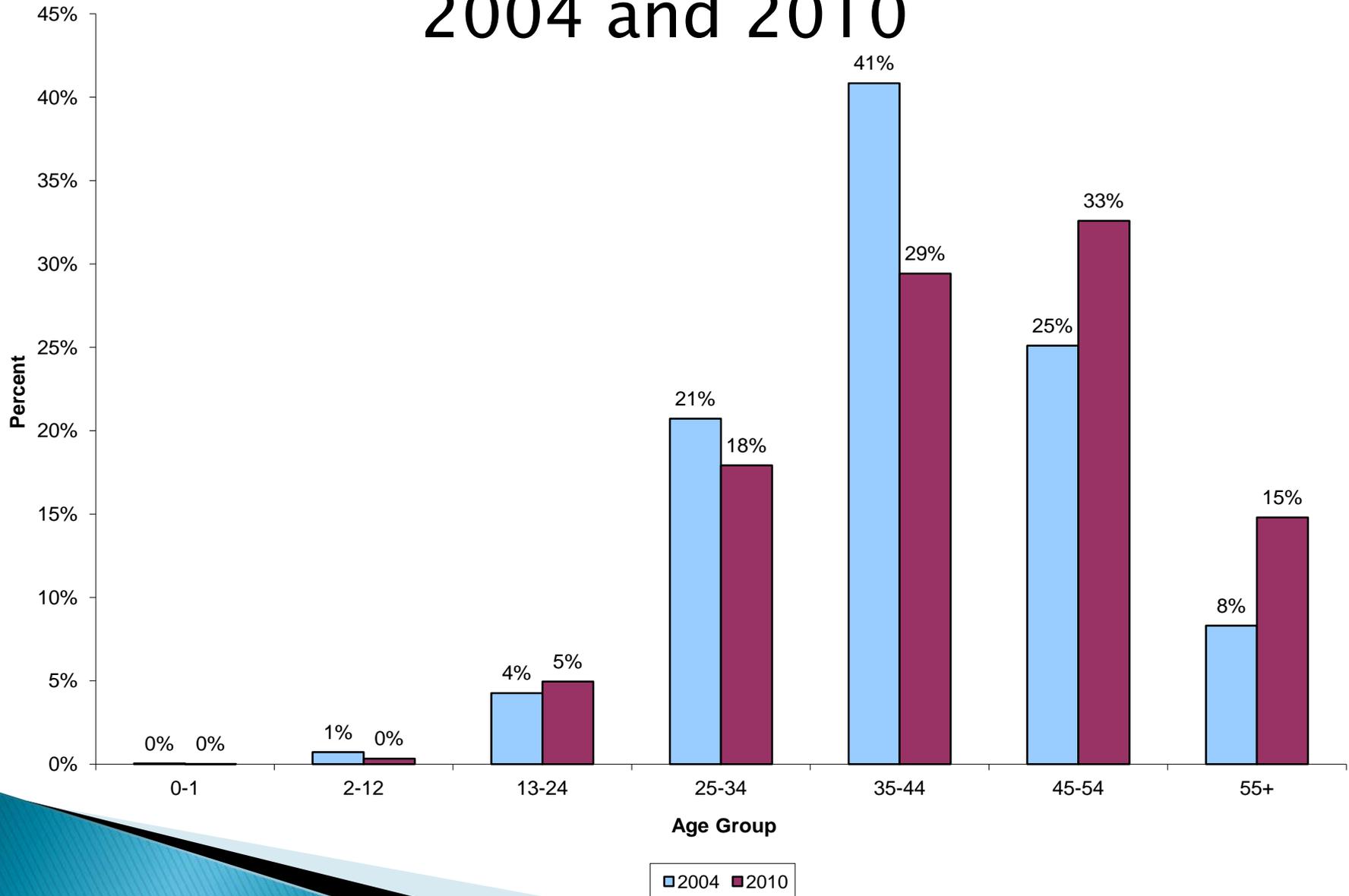
Texas Uninsured Population



People Living With HIV by County in Texas, 2011



People Living with HIV by Age Group 2004 and 2010



People Living with HIV

Age and Income

- ▶ Distribution across age groups continued to shift to those over the age of 45.
- ▶ Reflects the aging of the infected population, not an increase of new diagnoses among older adults.
- ▶ Likely due to the continued effect of improved treatment therapies and survival
- ▶ 83 percent earn less than 300 percent of the Household Poverty Level.
- ▶ 66 percent earn less than 133 percent of the Household Poverty Level.

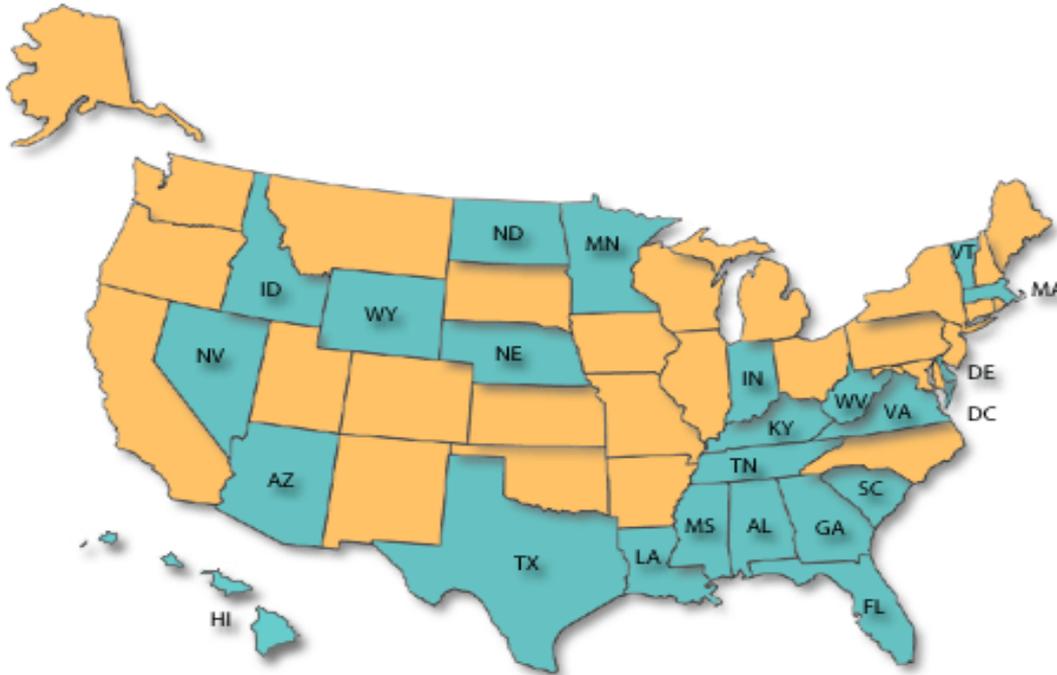
People Living with HIV – Services

- ▶ Health services needed to manage this disease:
 - Preventive services – screenings
 - Access to medical care and dental services
 - Prescription assistance
 - Specialty medical care
 - Substance abuse treatment and counseling.

Pre-Existing Condition Insurance Plan (PCIP)

- ▶ What is it?
- ▶ Why is this important to my clients?
- ▶ How do you apply?
- ▶ What resources are available?

PCIP



- U.S. citizen, national, or legal resident
- Six months without coverage
- Can't get insurance because of a preexisting condition or a current health condition or can only get coverage that excludes the preexisting condition

PCIP – Prior Coverage

- ▶ You do not qualify for PCIP if, within the last six months, you have had any type of health insurance:
 - Texas Health Insurance Pool (the state high-risk pool)
 - Medicaid
 - Medicare
 - Insurance through your employer, union, or an association
 - Individual health coverage.

Pre-Existing Condition Proof

- ▶ Denial of coverage
 - Doctor's statement about a condition is insufficient.
 - For children under 19, a medical letter about the condition is sufficient.
- ▶ Offer with an exclusionary rider
 - Insurance does not cover the specific medical condition.
- ▶ Offer of coverage at a substantially higher rate

Information Needed to Qualify

- A recent denial letter (dated within the last 12 months) from a Texas-licensed insurance company for individual insurance coverage
- A recent letter (dated within the last 12 months) from a Texas-licensed insurance agent that states that you are not eligible for individual insurance coverage from one or more insurance companies because of your medical condition
- A recent letter (dated within the last 12 months) from a Texas-licensed insurance company that offers individual insurance coverage, but with a rider that eliminates coverage for your medical condition
- If under age 19: a recent letter (dated within the last 12 months) from an insurance company that offers individual insurance coverage but at a premium rate that is at least twice the rate available through PCIP; or letter from a medical doctor, doctor of osteopathy, physician assistant, or nurse practitioner stating the medical condition

PCIP – Plan Options

- ▶ Three federal high-risk pool plans
 - Standard, Extended, and Health Savings Account
 - Benefit summaries showcase features
- ▶ How they differ:
 - Premiums
 - Deductibles
 - Prescription deductibles
 - Prescription copays

PCIP – In–Network Expenses

Beneficiary Responsibility	Standard Option	Extended Option	HSA–Eligible Option
Monthly Premium	\$133 – \$426	\$179 – \$572	\$138 – \$442
Medical Deductible	\$2,000	\$1,000	\$2,500
Drug Deductible	\$500	\$250	Included in medical
Office Visit Copay	\$25	\$25	\$25
Drug Copay	\$4/\$40/25% (\$150 max)	\$4/\$30/25% (\$150 max)	\$4/\$30/25% (\$150 max)
Out-of-pocket limit*	\$4,000	\$4,000	\$6,050

*Out-of-pocket limit for out-of-network expenses -- \$7,000

PCIP – Cost

▶ 2012 Monthly Premiums for Texas

Age	Standard Option	Extended Option	HSA-Eligible Option
0 to 18	\$133	\$179	\$138
19 to 34	\$199	\$268	\$207
35 to 44	\$239	\$323	\$248
45 to 54	\$306	\$412	\$318
55+	\$426	\$572	\$442

PCIP Plans – Plan Features

- ▶ Preventive care (100% paid; no deductible)
 - In-network doctor; preventive diagnosis
 - Annual physicals, flu shots, routine mammograms and cancer screenings
- ▶ Other care – pay deductible first and then 20 percent of medical costs for in-network.
- ▶ Maximum out-of-pocket for covered services in a calendar year is \$4,000/\$6,050 in-network and \$7,000 out-of-network.
- ▶ No lifetime maximum or cap on the amount PCIP pays.

How to apply to PCIP

- ▶ Mail a paper application
- ▶ Fax a paper application
- ▶ Submit an online application
- ▶ Work with an agent
- ▶ Consumer Protection staff can answer questions

Online Application

The screenshot shows a Windows Internet Explorer browser window displaying the PCIP.gov website. The address bar shows the URL https://www.pcip.gov/. The page title is "Pre-Existing Condition Insurance Plan". The navigation menu includes links for HOME, LEARN MORE, ELIGIBILITY, FIND YOUR STATE, APPLY (circled in red), Q&A, and CONTACT US. There is also a link for "En Español".

The main content area features the heading "HEALTH REFORM *and* PEOPLE with PRE-EXISTING CONDITIONS". Below this, a paragraph states: "The Pre-Existing Condition Insurance Plan makes health insurance available to people who have had a problem getting insurance due to a pre-existing condition." This is followed by a sub-heading "The Pre-Existing Condition Insurance Plan:" and a bulleted list of features:

- Covers a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs.
- Doesn't charge you a higher premium just because of your medical condition.
- Doesn't base eligibility on income.

A green "Apply Now" button is located below the list. To the right of the text is a photograph of a diverse group of healthcare professionals, including a male doctor, a female nurse, and a male doctor in a white coat.

Below the main content, there are two columns of information. The left column is titled "Your Questions Answered" and contains a Q&A section:

Q: Who is eligible for Pre-Existing Condition Insurance Plan?
A: To be eligible for the Pre-Existing Condition Insurance Plan,

- You must be a citizen or national of the United States or residing in the U.S. legally.
- You must have been uninsured for at least the last six months. Please note that if you currently have insurance coverage that doesn't cover your medical condition or are enrolled in a state high risk pool, you are not eligible for the Pre-Existing Condition Insurance Plan.
- You must have a pre-existing condition or have been denied coverage because of your health condition.

A link for "More Questions and Answers" is provided at the bottom of this section.

The right column is titled "2011 Program Changes" and contains the text: "The Pre-Existing Condition Insurance Plan is being updated for 2011, including new rates and benefits. [Click here](#) for info on the upcoming changes or go to the [Learn More](#) page for more details on the changes." Below this is a "Be Careful!" warning box that states: "You can only enroll in the Pre-Existing Condition Insurance Plan by applying for coverage using the methods described on the [Apply](#) page. Do not respond to phony calls or letters asking you to enroll for a fee." At the bottom of the page, there is a "Get Informed" section.

Applying to PCIP

Online Application

Call Center

The screenshot shows the PCIP.gov website in a Windows Internet Explorer browser. The page title is "Pre-Existing Condition Insurance Plan". The navigation menu includes "HOME", "LEARN MORE", "ELIGIBILITY", "FIND YOUR STATE", "APPLY", "Q&A", and "CONTACT US". There is also a link for "En Español".

The main content is divided into two columns:

- Apply Now Online:** A section for people who live in a state served by the Pre-Existing Condition Insurance Plan. It features a green "Apply Now" button.
- By Phone:** A section providing contact information for the Pre-Existing Condition Insurance Plan at 1-866-717-5826 (TTY: 1-866-561-1604). It also lists regular hours of operation as Monday - Friday, 8 a.m. to 11 p.m., Eastern Time.
- Be Carefull!** A red warning box stating: "You can only enroll in the Pre-Existing Condition Insurance Plan by applying for coverage using the methods described on this page. Do not respond to phony calls or letters asking you to enroll for a fee."

The right column is titled "Apply By Mail" and contains the following instructions:

- Click the "Application Form" link below to download a PDF version of the enrollment application.
 - [ENGLISH Application Form \[120KB\]](#)
 - [SPANISH Application Form \[120KB\]](#)
- Fill out the application by following the instructions in the application and make copies of any required documents. Remember to include a copy of one of the following documents:
 - A denial letter from an insurance company licensed in your state for individual insurance coverage (not health insurance offered through a job) that is dated within the past 6 months. Or, you may provide a letter dated in the past 6 months from an insurance agent or broker licensed in your state that shows you aren't eligible for individual insurance coverage from one or more insurance companies because of your medical condition.
 - An offer of coverage from an insurance company licensed in your state for individual insurance coverage (not health insurance offered through a job) that is dated within the past 6 months. This offer of coverage has a rider that says your medical condition won't be covered.
 - If you are under age 19 OR if you live in Massachusetts or Vermont, an offer of individual insurance coverage (not health insurance offered through a job) from an insurance company licensed in your state that is dated within the past 6 months. This offer of coverage must show a premium that is at least twice as much as the Pre-Existing Condition Plan premium (the monthly payment you make to an insurer to get and keep insurance) for the Standard Option in your state. To find out if the premium you were offered is twice as much as the premium in the Pre-Existing Condition Insurance Plan for the Standard Option in your state, check out the [State Plans](#) page.
- Mail to:
 - National Finance Center
 - Pre-Existing Condition Insurance Plan
 - P.O. Box 60017
 - New Orleans, LA 70160-0017

A "Back to top" link is located at the bottom right of the page.

Application form

Application mailing address

PCIP and Texas Participation

- ▶ Texas PCIP enrollment as of July 2012:
6,967
- ▶ Texas Health Insurance Pool enrollment as of September 2012:
23,422
www.txhealthpool.org/
- ▶ Note: In 2014, federal and state high-risk pools end and insureds will transition to an Exchange, the new marketplace to obtain coverage.

Health Risk Pool – Scenario #1

Michael has been uninsured since January 2012. Although born in Maine, he currently lives in Houston. He is battling pancreatic cancer.

Michael has been turned down by three insurance companies. He says that the state health insurance pool is too expensive. Can he qualify for PCIP coverage?

People Living with HIV – Scenario #2

Juan is a 28-year-old HIV-positive male. He works for a retail store and earns approximately \$32,000 a year.

Juan has no insurance and lives in Texas. He is not eligible for the Texas HIV Medication Program because his income exceeds \$21,660. Juan is taking Isentress and Truvada for his HIV and has also been prescribed Lexapro (10 mg once a day) for his depression.

People Living with HIV – Scenario #3

David is a 32-year-old HIV-positive male. He works at a local restaurant where he washes dishes and buses tables. The owner pays him \$8 per hour in cash.

His employer offers a group health plan but he is not enrolled. He rents an apartment with two other people but his name is not on the lease. No one knows he is HIV positive and he is very nervous about someone finding out his status. He is currently taking Reyataz, Norvir, and Truvada for his HIV and Lipitor for his cholesterol.

People Living with HIV – Scenario #4

Susan is a 36-year-old female newly diagnosed with HIV, and her doctor needs to start her on antiretroviral therapy as soon as possible. Susan is also two months pregnant.

Susan and her common-law spouse John both work at the local manufacturing plant. John is 45. Susan's gross income is \$15,000 per year, and John is able to earn some overtime and grosses \$22,000 a year. They say they can't afford the company's health insurance premium or the HIV medications. Susan's doctor wants to start her on Kaletra and Combivir.

People Living with HIV – Scenario #5

Maria is a single, 32-year old HIV-positive female. She has two children under 13 who are HIV- negative. She has been positive for 10 years and has never needed assistance from an AIDS Service Organization. She got laid off from her job three weeks ago when her employer closed its U.S. operations.

Her gross earnings from her previous job were \$40,000 a year and she had health insurance coverage through her employer's group plan. However, COBRA is not available because her former employer terminated its group plan when it closed. She is currently looking for work and it might take a few months for her to get back on her feet. Maria is taking Atripla. One of Maria's children has diabetes type 1 and is prescribed insulin.

PCIP

- ▶ What?
 - Federal option for uninsured with preexisting condition
- ▶ Why is this important?
 - May be cheaper than Texas Health Insurance Pool
 - Three PCIP options
 - May be able to assist clients with variety of medical services
- ▶ What resources are available?
 - To apply visit www.pciplan.com or www.pcip.gov
 - Call 1-866-717-5826
 - Contact TDI for help with application
 - Share this information

Federal Health Reform Provisions

- ▶ Plan and policy years that begin on or are renewed after September 23, 2010:
 - Bans lifetime dollar limits on essential benefits
 - Restricts annual dollar limits on essential benefits
 - Prohibits rescissions
 - Extends dependent care coverage for young adults
 - Prevents denials/exclusions for child's preexisting condition
 - Provides internal and external appeals
 - Requires health plans to provide summary of benefits and coverage (September 2012).

Grandfathered Plans

- ▶ Existing coverage as of March 23, 2010
 - FHR provisions that DO apply
 - Lifetime dollar limits
 - Retrospective rescissions
 - Dependent coverage (with one exception).
 - FHR provisions that DO NOT apply
 - Preventive services with no cost sharing
 - Choice of health care providers and access to emergency care
 - Internal and external appeals (note Texas law).

Grandfathered Plans

- ▶ Grandfathered Individual Policies
 - FHR provisions that DO NOT apply
 - Annual dollar limit restriction
 - Elimination of preexisting condition exclusions for children under 19.

Losing Grandfathered Status

- ▶ Eliminate benefits to diagnose or treat a particular condition.
- ▶ Raise coinsurance rates, copays, or deductibles above an allowed amount.
- ▶ Reduce employer's share of premium by more than 5 percent.
- ▶ Reduce annual dollar limits on benefits or add new annual benefit limits.

Dependent Care Coverage

- ▶ Can't deny children under 19 based on preexisting condition.
- ▶ Continue on parent's health plan until age 26
 - No requirement that child is financially dependent, living with parent, in school, working, or unmarried.
 - Note: Married child is covered; married child's spouse is not covered.
 - Texas law: For fully insured plans, covers dependent grandchildren up to age 25.

Dependent Coverage – Scenario #6

Denise turned 25 in August 2012 and was dropped from her mother's health insurance plan. Her mother's plan year starts September 1. Can Denise get coverage through her mother's plan?

FHR Provisions

▶ What?

- Several new provisions may provide additional consumer protections, expand access, and reduce out-of-pocket costs.

▶ Why is this important?

- Must be mindful of the status of your health plan, triggers that eliminate grandfathered status, and that additional changes are on the way.

▶ What resources are available?

- Read plan information and visit web resources www.healthcare.gov and www.texashealthoptions.com.

Consumer Health Assistance Program (CHAP)

- ▶ Contact TDI for information about
 - your rights under federal health care reform and state law.
 - how to enroll in a health plan, including PCIP.
 - how to appeal a health plan's denial of a treatment or service.
 - how to resolve a complaint against your health plan or insurer.
 - how to obtain the health care premium tax credit (for small businesses).

Resources

- ▶ Fact sheets and publications
- ▶ Consumer Help Line: 1-800-252-3439
 - Toll free, Monday–Friday, 8 a.m. to 5 p.m., Central time
- ▶ www.texashealthoptions.com
 - www.chap.texas.gov, chap@tdi.state.tx.us
- ▶ www.tdi.texas.gov
 - www.tdi.texas.gov/consumer/cpmhealthcare.html
- ▶ Speakers' Bureau