

Health Insurance 101

A Step by Step Guide for College Students and Recent Grads



**Updated to
reflect 2010
health reform
changes!**





Are You Covered for College?

Introduction

When you're young and healthy it's easy to overlook health insurance or imagine you don't need it. But the fact is that without coverage even a minor injury can put you at serious financial risk.

College students face special challenges – and special opportunities – when it comes to getting covered. Going without is never a good option, and your school may require you to have some form of coverage. But should you stay on your parents' health plan or enroll in a school-sponsored plan? What happens if you attend school in a different state? And what are your options after graduation? Use this guide to help you find the right match for your needs.

HEALTH REFORM UPDATE

Health reform legislation was signed into law March 23, 2010. New reforms make it safer and easier than ever to buy your own health insurance. Some key reforms for persons buying their own coverage include:

Starting in September, 2010:

- Added protection from rate increases
- Added protection from having insurance canceled
- Better coverage for preventive care
- No lifetime caps on benefits

Starting in January, 2014:

- Financial aid to help you buy your own insurance, if you qualify

If you've been waiting for reform to pass, don't wait anymore. Review your options online today, talk to a licensed agent if you have questions, and get the coverage you need.





Are You Covered for College?

A Quick Look at Student Health Insurance Choices

	Parents' Health Insurance Plan	School-sponsored Health Insurance Plan	Student Health Insurance Plan	Individual Health Insurance Plan
<i>Who's eligible?</i>	<ul style="list-style-type: none"> Full-time students between 18-24 (older in some states) may be eligible After September 23, 2010, persons under age 26, regardless of student status 	<ul style="list-style-type: none"> Generally, full-time students at schools that offer a health plan 	<ul style="list-style-type: none"> Full-time students between ages 17-29 at a state accredited college or university 	<ul style="list-style-type: none"> Everyone is eligible to apply for Individual health insurance coverage
<i>What are the advantages?</i>	<ul style="list-style-type: none"> Convenience Billing and claims are handled by your parents You can't be declined for medical reasons 	<ul style="list-style-type: none"> Medical services are often rendered on campus May be relatively affordable 	<ul style="list-style-type: none"> Coverage travels with you if you go to school in a different state 	<ul style="list-style-type: none"> In many states there are a lot of affordable options to choose from, with a broad range of benefits You can keep your coverage even if you drop credit hours or graduate
<i>What are the disadvantages?</i>	<ul style="list-style-type: none"> If you go to school in a different state your coverage levels may be decreased May be more expensive than other options 	<ul style="list-style-type: none"> Plans of this sort may not cover medical services rendered off campus Some school plans restrict benefits If you drop credit hours or graduate you may lose your coverage 	<ul style="list-style-type: none"> May be more expensive than Individual coverage You may have to pay your premium in a large lump-sum amount Until health reform is fully implemented in 2014, you may be declined based on medical history Not available in all states 	<ul style="list-style-type: none"> Medical claims may not be paid at the highest level when home on vacation if your family lives in another state Until health reform is fully implemented in 2014, you could be declined based on your medical history
<i>How do I sign up?</i>	<ul style="list-style-type: none"> If you're not already signed up, talk to your parents' insurance company or employer 	<ul style="list-style-type: none"> Talk to your school's student resources office 	<ul style="list-style-type: none"> Apply for a Student health insurance plan through a licensed agent like eHealthInsurance 	<ul style="list-style-type: none"> Apply for an Individual health insurance plan through a licensed agent like eHealthInsurance

Follow our five-step process to help you find the best coverage for your needs:



Step 1

Know Why You Need It



Step 2

Bone Up on the Lingo



Step 3

Assess Your Needs



Step 4

Compare Your Options



Step 5

Apply for Coverage



eHealthInsurance®
www.ehealthinsurance.com





Know Why You Need It



UCbound21 Isn't it too expensive to buy my own coverage?

10 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth Not necessarily. In fact, Individual and Family health insurance can be surprisingly affordable.

eHealth

eHealth And if an individual plan will save your parents money versus putting you on their own plan, they may help you fund your coverage. Individual coverage for healthy younger persons often costs less than \$60 a month.



17 users found this answer helpful.

It may seem obvious: you probably already know that health insurance is important. Chances are that either you or someone you know has been injured or become seriously ill and spent some time in the hospital. Unfortunately, young people have a reputation for taking their good health for granted and not making health insurance a priority. In case you need a quick refresher, here are a few things to keep in mind:

Did you know?

- **People between the ages of 19-29** are more likely to be uninsured than most other groups¹
- **Young adults are more likely** to visit the emergency room than many other age groups²
- **An uninsured stay** in the hospital or visit to the emergency room can cost you thousands, even tens of thousands, of dollars
- **Health insurance protects** your finances as well as your health by limiting your liability for medical costs
- **Having at least a basic level of health insurance** can mean the difference between starting your adult life on the right foot or starting out bankrupt

"Now that health reform passed, do I even need a health insurance plan?"

Absolutely, and in time, the government will require you to purchase health insurance. Health reform doesn't remove individual responsibility to pay for medical injuries and illnesses. Though many of the reforms don't kick in until 2014, starting in September 2010, health reform will allow you to stay on your parents' plan until you turn 26, but that coverage is often very expensive. Be smart, be frugal and investigate all of your health coverage options.





Bone Up on the Lingo



Health insurance terminology can be difficult. But in order to shop smart, you need to know what you're buying and how it works. Here are some key terms and definitions you should know.

FIVE HEALTH INSURANCE TERMS YOU MUST KNOW

"Premium" - The premium is the amount you or your parents pay to the health insurance company each month to maintain your coverage. When trying to understand the cost of a health insurance plan, the premium is the first thing to consider. But make sure to balance it against other costs, such as copayments, deductibles and coinsurance. *TIP: A plan with a lower premium often comes with a higher deductible, and vice versa.*

"Copayment" - Your copayment, or "copay," is the specific dollar amount you may be required to pay up front for a specific type of service. For example, your health insurance plan may require a \$15 copayment for an office visit or brand-name prescription drug, after which the insurance company pays the remainder of the charges. *TIP: if you make frequent doctor's office visits, make sure you choose an affordable and consistent copayment.*

"Deductible" - Your annual deductible is the amount you may be required to pay out-of-pocket before the insurance company begins paying for your medical claims. Keep in mind, your monthly premium and copayments will often not count toward your deductible. Not all plans require a deductible, but choosing a plan with a higher deductible can keep your monthly premium lower.

"Coinsurance" - Some plans feature coinsurance, which is an amount you are obliged to pay for covered medical services after you've satisfied any copayment or deductible required by your health insurance plan. Think about it this way: the insurance company may limit coverage for certain services to, say, 80% of charges. So, for example, if

your insurance covers 80% of x-ray charges, you will need to pay the remaining 20%, even if your annual deductible is already met. That 20% is considered coinsurance.

"Maximum Out-of-Pocket Costs" - Pay attention to this amount when considering a new health plan. Your maximum out-of-pocket cost sets a cap on the amount you could be required to pay toward your claims in a single year. Once you have paid your "maximum" amount (typically through deductibles, copayments or coinsurance) the insurance company pays the full charges for any additional covered medical services rendered that year. Your monthly premium will not count toward your maximum out-of-pocket costs.



TheaterDan I can stay on my parents' plan & my school offers a health plan too. Are there other options I should consider?
14 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth Yes. A family or school plan is great, especially if you have a pre-existing medical condition. But young people can get great rates on individually-purchased insurance, and take advantage of new consumer protections resulting from health reform.

eHealth

eHealth You may be able to find a quality health insurance plan better suited to your personal needs that costs significantly less than your school's or parents' plan.



23 users found this answer helpful.





Assess Your Needs



There's no single health insurance plan that's best for everyone. In order to select the right plan for your needs you need to be in touch with your personal priorities. Ask yourself: Is cost your most important consideration? Which kinds of benefits do you really need and which can you do without? **Consider the three cases below to help you think about the coverage that's most valuable for you:**



JOHN:

John is nineteen, he never gets sick and rarely visits the doctor, but he admits to being an adrenaline junkie. Whether he's snowboarding or rock climbing, he loves being outdoors and knows that some of his favorite activities carry a risk of injury. His parents have offered to keep him on their health plan. His college doesn't provide a health plan.

Good options for John may include:

- ✓ His parents' plan, for convenience
- ✓ An Individual health plan with lower monthly premiums and higher deductibles that doesn't cover things like prescriptions and maternity benefits – this might save his parents money while providing "backup" coverage just in case



STEFF:

Steff is a generally healthy twenty-one year old from California who goes to school in Illinois. She visits the doctor maybe four or five times a year. Her parents are unable to cover her. Her university offers a health plan but it won't cover her when she's at home for the summer or on holidays.

Good options for Steff may include:

- ✓ An Individual health insurance plan with a lower deductible and affordable copayments that provides an acceptable level of coverage out of state
- ✓ An individually-purchased Student health plan that provides the same level of coverage whether she visits the doctor at school in Illinois or at home in California



MARC & SANDRA:

Marc and Sandra are both graduate students who were recently married. Both are healthy but they don't have a lot of extra income. They're open to having children in the not-too-distant future.

Good options for Marc and Sandra may include:

- ✓ Their university health plan, so long as it provides coverage for maternity and well-child care
- ✓ An Individual and Family plan with the same benefits that may cost less per month than their university plan and which they can keep after they graduate



Hayley2009 I've heard about Medical Discount Cards – are these worth buying?
26 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth Medical discount cards are not a replacement for health insurance and so-called "limited benefits" plans may not meet your school's coverage requirements.

eHealth

eHealth A 20% discount won't help much if you're facing an unexpected million dollar bill, so an Individual or Family or school-sponsored plan is a better bet.



30 users found this answer helpful.





Compare Your Options

Start with Free Quotes

If you want to save money and make the best decision, you'll need a broad view of your health insurance options. In addition to considering your parents' or school's insurance plans, work with a licensed agent like eHealthInsurance to get free quotes for brand-name Individual health plans in your area.

FIVE KEY CRITERIA TO HELP GUIDE YOUR DECISION

You may need some help narrowing down your choices. Consider the following five criteria to help you focus on the plans that best match your needs:

- 1. Health benefits:** Which plans provide the must-have benefits you've identified? Buy only what is important to you to keep your costs low. Avoid expensive benefits (like maternity or prescription drugs) if you don't need them.
- 2. Costs:** Which plans fall within your budget when it comes to premium, deductible, copayments and coinsurance? Consider a high-deductible plan if your primary requirement is a low monthly premium.
- 3. Physician network:** Do you have a favorite doctor you want to keep? Which plans does he or she accept? At **eHealthInsurance.com**, you can use our physician finder tool to find plans that are accepted by your doctor.
- 4. Brand:** Are there brand-name carriers that you prefer? Are there any you want to avoid?
- 5. Consumer and industry reviews:** eHealthInsurance offers customer reviews for many of the plans we sell, and we present the AM Best ratings for carriers. These ratings reflect AM Best's analysis of a company's credit rating and ability to pay claims.



DarkShades Can I save money if I buy direct from the insurance company?

9 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth No. Due to government regulations, you will pay the same monthly premium for the same plan whether you buy it from a licensed agent or direct from the insurer. So for no additional cost, shopping through **eHealthInsurance.com** can give you more objective, unbiased help to find the right plan.



Gr8Juno I just graduated. Should I consider a short-term plan?

35 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth Short-term coverage is great if you know you'll be back on your parents' plan or have coverage through an employer within six months. But short-term coverage may not cover pre-existing conditions, Rx drugs, or office visits. And, the insurer does not have to renew the coverage at the end of 6 months, so you'll need to reapply and re-qualify. Consider buying an individual health insurance policy, which you can cancel at any time, and take advantage of the new consumer protections provided by health reform.



22 users found this answer helpful.





Apply for Coverage



PreMedTed I have a pre-existing medical condition. But now that health reform has passed that means I can't be declined, right?
17 minutes ago • [Comment](#) • [Helpful?](#)

eHealth

eHealth Some of the new reforms that kick in on September 23, 2010 include: teens and children 18 and under can't be declined coverage for existing medical conditions, and dependent children can stay on their parents' plans until age 26, even after graduation. Others with pre-existing conditions may have to wait until 2014. Talk to a licensed agent at eHealthInsurance for personal advice.



47 users found this answer helpful.

Once you've submitted an application for an Individual health insurance plan it may take a few weeks before the insurance company makes a decision. If you submit your application through eHealthInsurance we will inform you of the insurance company's decision as soon as possible. If you apply for an 'eApproval' plan you may get a coverage decision in minutes. Expect one of the following responses:

"You're approved!"

Most of the people who apply for Individual and Family health insurance through eHealthInsurance are approved³. Once approved, your health insurance coverage will begin on the "effective date" confirmed by the insurance company.

"You're approved, with conditions"

The insurance company may offer you coverage but limit benefits for specific conditions based on your medical history.

"More information is required"

In some cases, the health insurance company will ask for more information regarding your application, and may request medical records from your doctor before coming to a final decision.

"Your application has been denied"

If your application is denied, please talk with one of our licensed agents by phone. There may be reason to appeal the decision or try again with a different insurance company. If not, we can help put you in touch with government-sponsored options available in your state.

"Why should I submit my Individual or Student insurance application through eHealthInsurance?"

Good question. eHealthInsurance is the nation's #1 online source for Individual and Family health insurance. We represent over 180 brand-name health insurance companies across the country, and we've helped nearly two million Americans find the coverage they need. When you shop through eHealthInsurance, you'll get:

- **A broader view of your options** – and knowing what's really available can help you save money
- **A speedier submission and review process**, thanks to our industry-leading technology
- **An advocate with the insurance company** to help you resolve billing or claim disputes in the future
- **All our services and assistance provided at NO EXTRA COST to you**



eHealthInsurance®
www.ehealthinsurance.com



Additional Resources



We hope this guide has provided you with valuable information and helped prepare you to make an informed health insurance shopping decision. Every person's needs are different, so if you need additional information, there is a wealth of resources available to help you find the right solution.

For more information about Individual health insurance plans, please contact:

- A licensed eHealthInsurance agent at 1-800-977-8860
- Or go online to **ehealthinsurance.com** to review FAQs, get free quotes, compare plans, and apply online
- You may also want to check out our Health Insurance Buyer's Guide for more info and tips on Individual and Family insurance products

If you are unable to qualify for or afford Individual health insurance and you have no family or school-sponsored options available, there may be public programs available. For information about public programs please contact:

- The Foundation for Health Coverage Education (FHCE) at 800-234-1317
- Or go to their web site is www.coverageforall.org
- Or check your local state insurance commission's website

To learn more about the new health reform law and a year-by-year summary of its provisions, we recommend you visit the U.S. Department of Health and Human Services website:

<http://www.healthreform.gov/>

Footnotes:

- 1 Commonwealth Fund, Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2009 Update
- 2 According to the Centers for Disease Control, 2008
- 3 AHIP Center for Policy Research, Individual Health Insurance 2006-2007: A Comprehensive Survey of Premiums, Availability, and Benefits, Individual market, analysis of offer rates, 2006, p.11;
http://www.ahipresearch.org/pdfs/Individual_Market_Survey_December_2007.pdf

