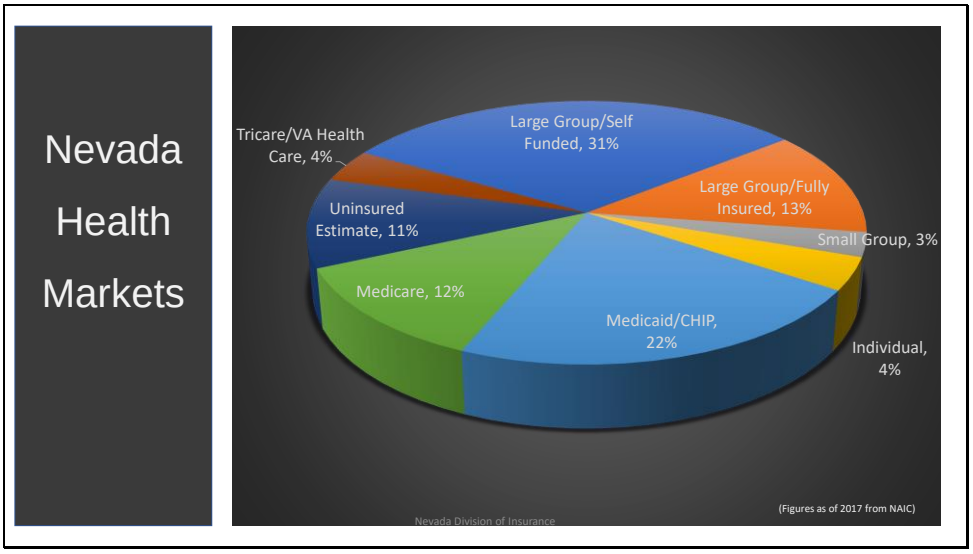
Slide 1

People know they need health insurance in case of accidents or serious illnesses. Traditional media and social media are full of stories of people facing financial disaster because of medical bills. Sometimes the circumstances are overwhelming. In other situations, the insurance is not adequate.

How do you protect yourself and your loved ones?

How do you get health insurance?

Slide 2



Health insurance is frequently in the news and it sounds like it's all one market, with one set of laws. It's not.

CLICK TWICE: Most Nevadans have health insurance through their employers. Some of these employers are self-funded, which means the employers pay the claims directly. (31%)

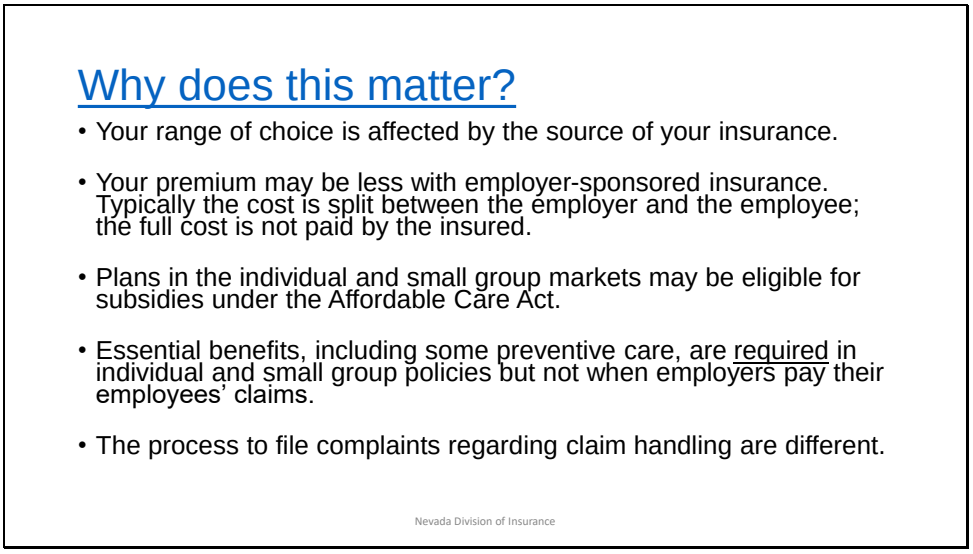
CLICK: Other large employers buy a group policy for their employees, and an insurer pays the claims. (13%)

CLICK TWICE: Employers with less than 50 employees are part of the small group market (3%). It's important to note that small groups and individuals (4%) are subject to the Affordable Care Act and cover essential benefits, such a preventive care.

The remainder of Nevadans have coverage through:
CLICK: Medicaid/CHIP (Children's Health Insurance Program) which helps with medical costs for people with limited income and resources
CLICK: Medicare, for those 65 and older
CLICK TWICE: Veterans have coverage through Tricare or the VA.

It is estimated 11% of Nevadans are uninsured.

Slide 3



CLICK: First of all, your range of choice is affected by the source of your insurance. Large employers typically offer 2 to 4 plan options for coverage, while individuals have more choices through the exchange or agents, limited only by the market and insurers' acceptance of their enrollment.

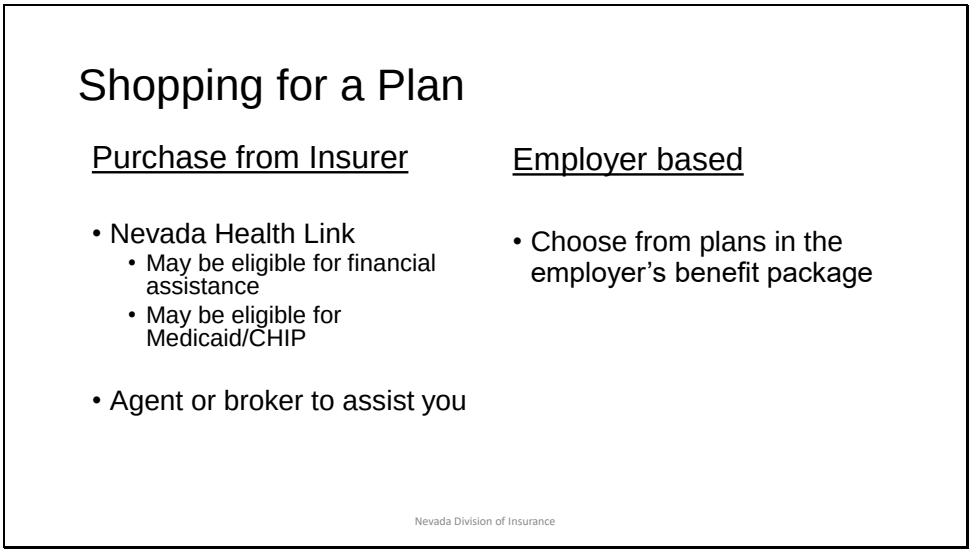
CLICK: Coverage through an employer often costs less as the employer often pays part of the premium. Employers may use benefit packages, including health coverage, to attract employees.

CLICK: Financial assistance may be available for individuals enrolled through Nevada Health Link.

CLICK: Not all types of health coverage include preventive care. Read the fine print of the plans you are considering.

CLICK: Jurisdiction is split between the federal government and the state for some parts of health insurance. There are different complaint mechanisms for each situation.

Slide 4

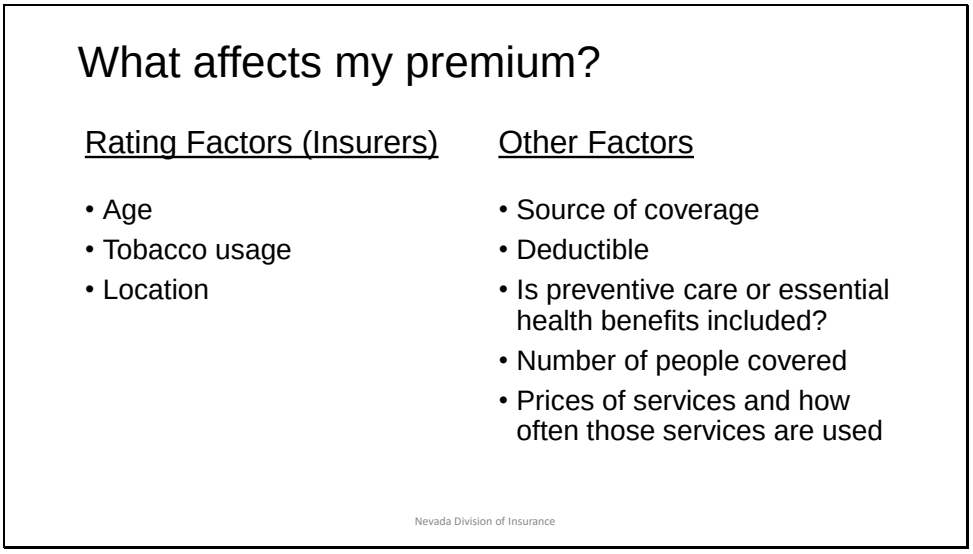


There are two ways that most people have health insurance. They may purchase insurance themselves or receive coverage through their employers.

CLICK: If you don't have health coverage from your employer, shop for plans on Nevada Health Link or contact an agent or broker to help you.

CLICK: Employers often include health insurance as part of the benefit package.

Slide 5



CLICK: Rating factors are used by insurers to set rates. Insurers can use age—typically older people pay higher premiums—tobacco usage—smokers pay more—and location. Premiums are often higher in rural areas; this is related to the number of contracted providers in the area. Insurers can no longer use gender for rating.

CLICK: If your coverage is through your employer, your employer may pay a portion of the premium. If you purchase coverage through Nevada Health Link, you may be eligible for financial assistance from the federal government, depending upon your household income. It's worth checking, because many people who think they don't qualify for a subsidy actually do qualify.

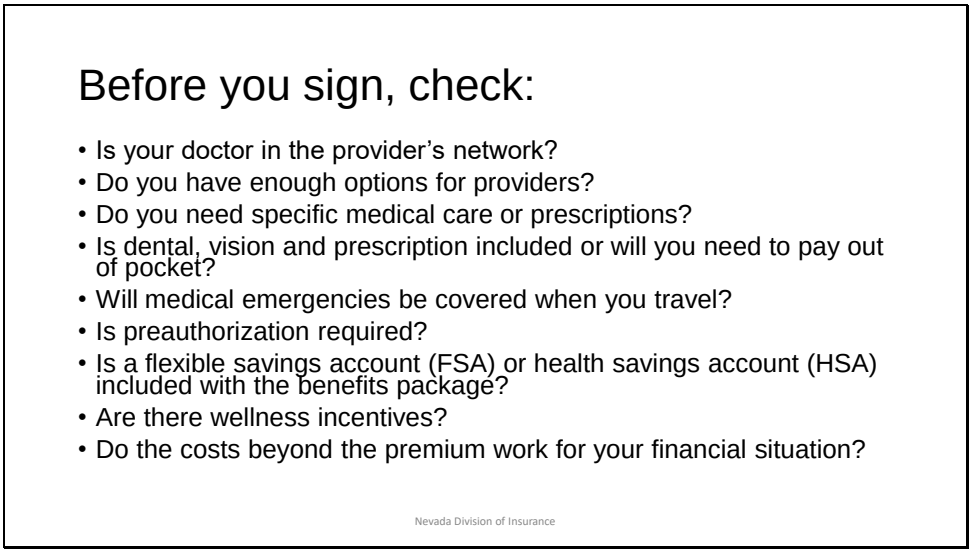
Often consumers have a choice regarding the deductible. If you choose a higher deductible, your premium will decrease. Only you can determine whether you can afford a certain deductible level and whether it is appropriate for you.

A significant factor is who will be covered. Is this insurance for an individual or a family?

Preventive care can drive up the premium price but can lower your out-of-pocket costs. Would you be more likely to get checkups if it were included in your coverage?

Some of these factors are under your control, and wise choices can protect you.

Slide 6



When choosing a plan, it's important to check several factors.

CLICK: Insurers contract with doctors, pharmacies, and hospitals. These are called networks. Health care providers may be in your area, but this does not mean they are automatically part of your network. Think of it this way; the network limits who you can see to a "list". Is your doctor on that list? Would you be able to see a different doctor on the network list? Options for providers may or may not be important to you—it depends on your health. Plans in which you have more control over which doctors and care centers you use may cost more.

CLICK: How is your personal health? Do you require regular medical care or a prescription? Is it included in the plan? Some employers do not include dental, vision and prescription coverage; these may be selected separately.

CLICK: What about emergencies when you travel? Read the fine print to avoid costly surprises! Do you need to request permission, called preauthorization, first? Some plans have options for setting aside money for future expenses or incentives. Again, read the fine print!

CLICK: Remember that the premium is not the only cost. We'll look at this next.

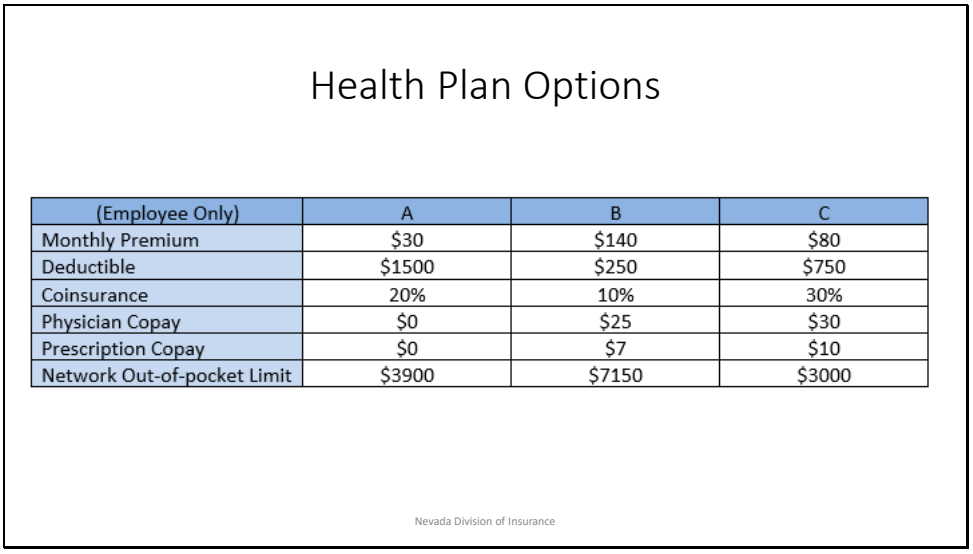
Slide 7

[These next slides are based on a hypothetical scenario.]

Congratulations! You have a new job!

As part of the onboarding/hiring process, the human resources office of your new employer has given you a package that explains your benefits. In addition to describing what coverage is included, there is a description of costs, and you have to choose a plan.

Slide 8



Look over this chart. It provides information about the three health plans your new employer offers.

Slide 9

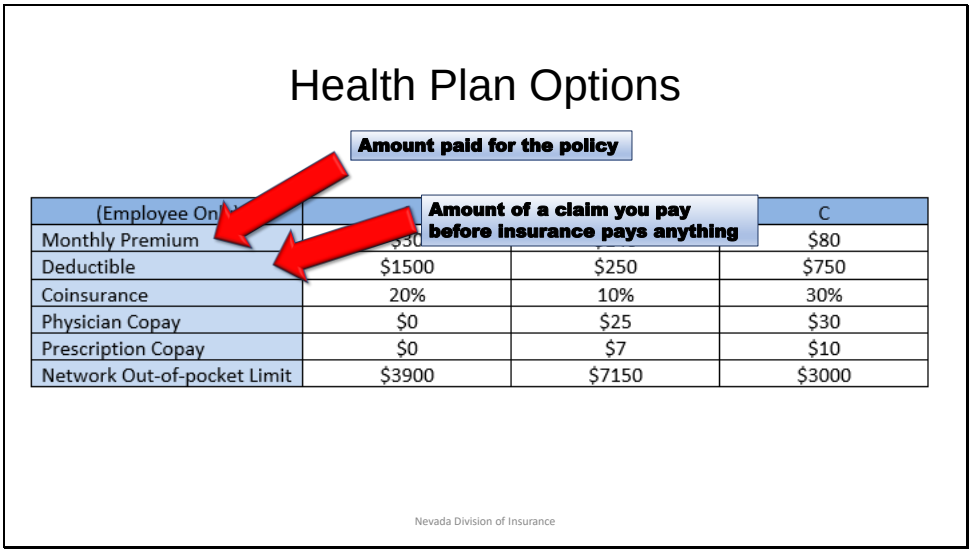
Seriously?

What does that mean?

Nevada Division of Insurance

A little intimidating, isn't it?

Slide 10



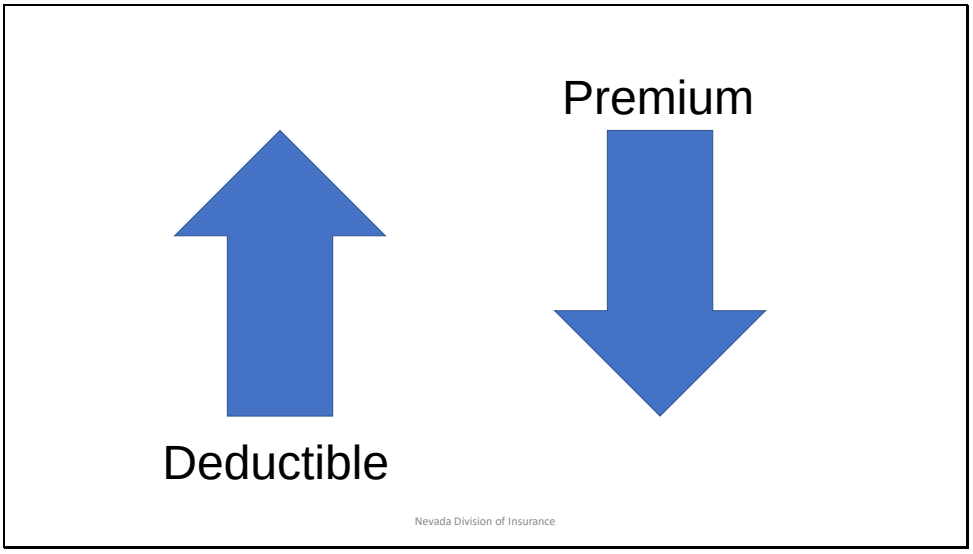
Let's break it down.

CLICK: **Premium is the Amount paid for the policy.** It can be based on your age, where you live and if you use tobacco. For health plans or policies, the monthly premium is typically given.

CLICK: **Deductible is the Amount you pay for claims before insurance kicks in.** First of all, a claim is a request for payment of an insured expense; it's like a bill that is sent to the insurer. If you have a $500 deductible, insurance won't pay your claims until the bills have reached $500.01. You are responsible for paying the first $500. Plans usually don't count copays toward your deductible.

Shopping tip: **Some plans will cover preventive care services before the deductible is met.**

Slide 11



CLICK: It's important to know that as deductible goes up,

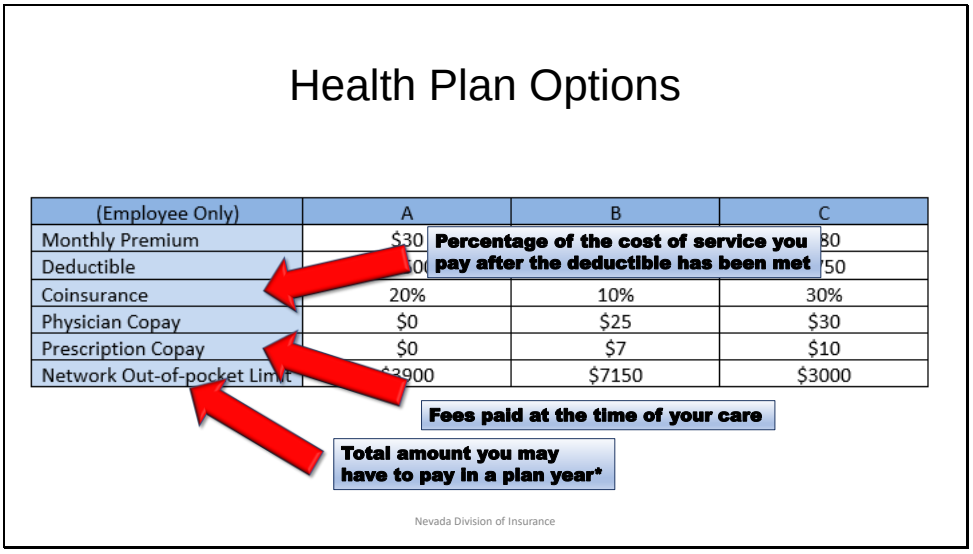
CLICK: Premium goes down.

Shopping tip: Deductible and premium are inversely related. As deductibles increase, premiums decrease (and vice versa). If you want to reduce your premium, choose a higher deductible.

Health deductibles reset at the beginning of the plan year and are cumulative during the year. This is different than auto or homeowner policies.

(Teacher's note: This is true if all other factors remain constant.)

Slide 12

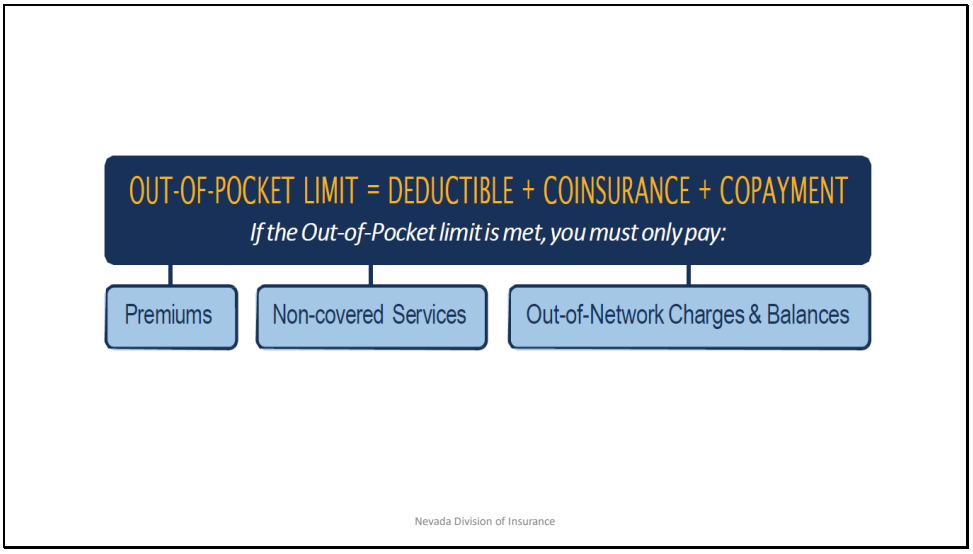


CLICK: Coinsurance is the percentage of the cost of service you pay after the deductible has been satisfied. First you pay the deductible. After the deductible has been met, you would pay your percentage of the coinsurance.

CLICK: Copays are fees you pay at the time of your care. These can be different for different types of care, such as for doctors, specialists, prescriptions, and facilities within your plan. Some plans have copays for preventive care services. Some plans don't have copays at all.

CLICK: The Out-of-pocket limit is the total amount that you may have to pay in a plan year.

Slide 13

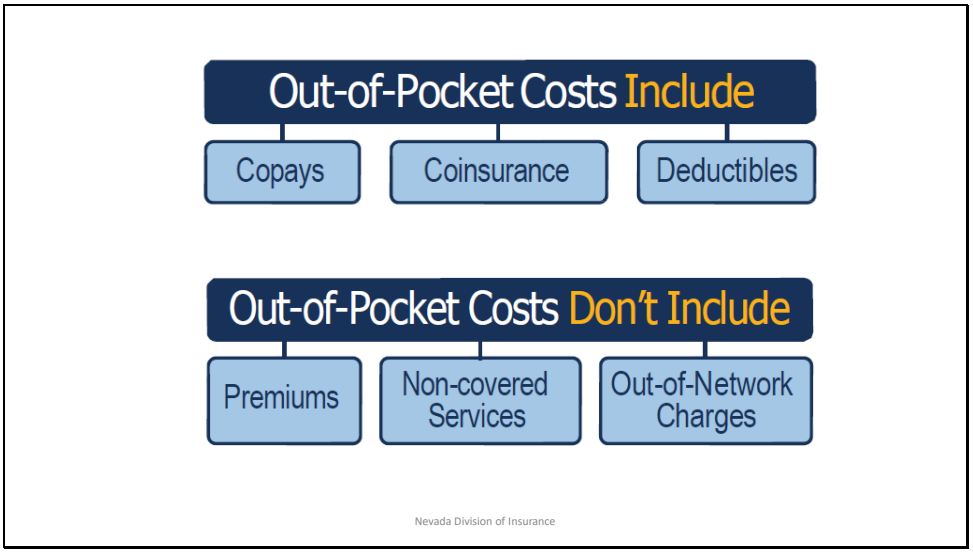


As we just noted, the out-of-pocket limit is the most you would pay in a policy year. Once the deductible, coinsurance and copays reach this level, you would not be charged further coinsurance or copays, as long as you stayed within the plan's covered services and network providers.

Usually there is one limit for in-network care and a higher limit for out-of-network care. (Remember, the network is "the list" from which you choose your providers.)

Shopping tip: Always verify if your provider is "in network." The out-of-pocket limit and costs of services are different for "in-network" and "out-of-network" providers.

Slide 14



To recap, Out-of-pocket costs, or what you may pay after the premium, include copays, coinsurance and deductibles.

CLICK: Premiums, non-covered services and out-of-network charges do not count towards the out-of-pocket costs.

Slide 15

Practical Math:

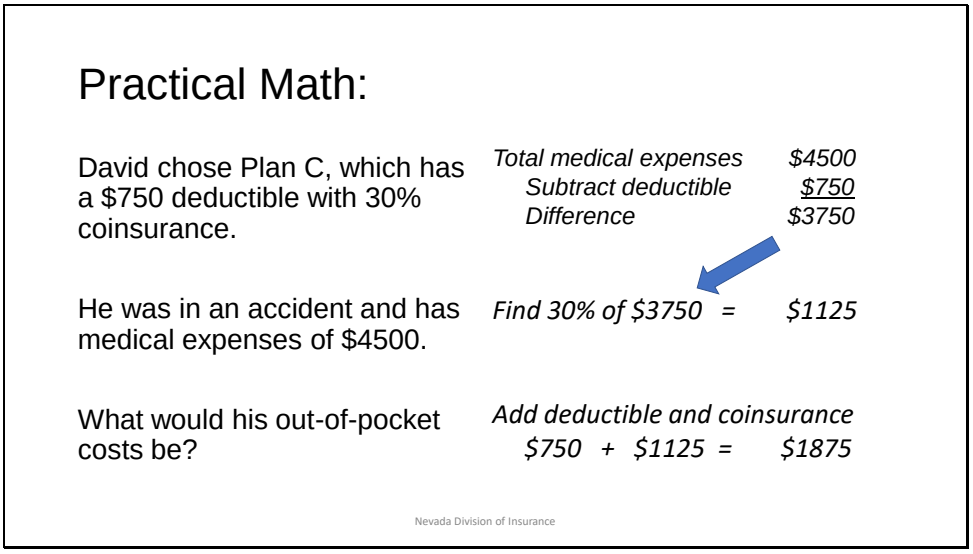
David chose Plan C and goes to the doctor 4 times during the summer. If his plan had a $30 copay for a doctor's visit, how much would he pay in copay fees?

4 x $30 = $120

Let's apply these concepts. We'll start with something simple.

David sees his doctor 4 times. What is his copay?

Slide 16



Let's work with deductibles and coinsurance. David chose Plan C and now needs to use his insurance. Let's assume this is the first claim of the plan year. This plan has a $750 deductible and 30% coinsurance.

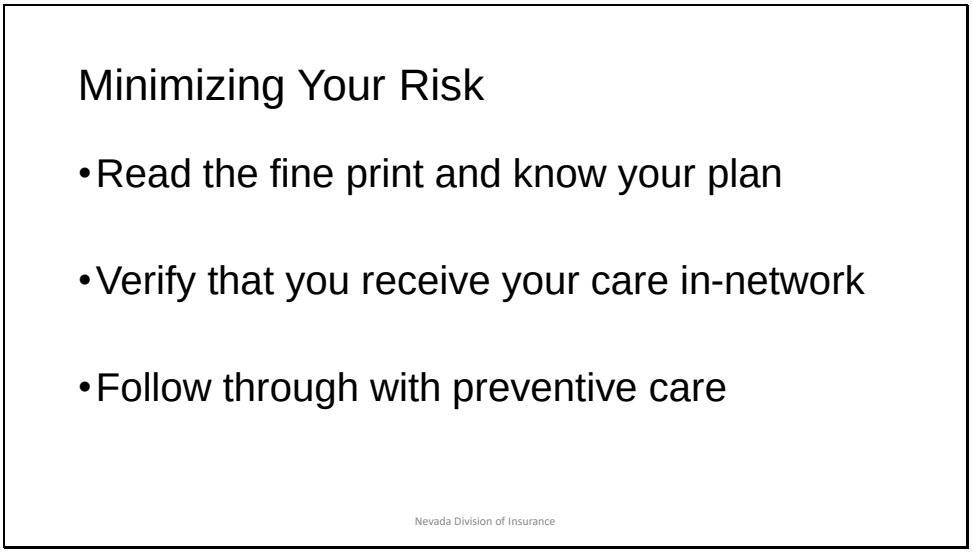
CLICK: Start with the total bill, $4500. Subtract the $750 deductible. This leaves $3750 of expenses, which would be split between David (30%) and the insurer (70%), according to David's plan.

CLICK: Find 30% of $3750, which is $1125.

CLICK: Add together the deductible and coinsurance, and that would be David's out-of-pocket costs for this claim.

(TEACHER'S NOTE: In-network deductibles are cumulative. This example assumes that this is the first claim of the year and that the deductible has not been previously met.)

Slide 17



To sum up,

Read the fine print. Know about preauthorization, network providers and copays.

Choosing in-network care can result in substantial savings. Providers move in and out of plans, so always check your network list. Usually, you can access a list of your plan's providers online.

If your plan includes preventive care, follow through with this. The fees for services can be different depending on whether the care is considered preventive or if they are for a developing condition.

Slide 18

Making the Wise Choice

- Consider your health needs
- Consider your financial situation and look at more than just the premium

Nevada Division of Insurance

Ultimately, choosing between health plans is a personal decision. It will depend on your health situation as well as your financial situation.

Consider whether you require ongoing care for a medical condition and any required medical care.

Your financial decision will depend on your personal financial situation and your risk tolerance. If you choose a plan with a low premium, you will have a higher deductible and possibly coinsurance. Could you cover the deductible and coinsurance if a medical situation develops?

Remember, your situation is unique. Test some what-if scenarios. Do the research. And read the fine print!