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- Expert Interview Series: Dr. Marlene Mahea of TeleMental Health Institute
Expert Interview Series: Sean Parnell of Selfpay Patient
Why Obamacare Has Increased Demand for Short-Term Health Insurance
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How to Use a Health Insurance Marketplace
How to Understand the Affordable Care Act

How to Shop for Health Insurance

Get ready for open enrollment. That's the time period when you can enroll in a health plan that meets the requirements of the Affordable Care Act, which is the health care law that's also known as Obamacare.

HealthCare.gov, the government's official Health Insurance Marketplace for Obamacare, lists the open enrollment period as starting on November 15, 2014 and ending on February 15, 2015.1

During that time, you can compare different health plans and determine which plan fits your budget and meets your health care needs. While comparison shopping, you should assess three main aspects of each Marketplace health plan available in your geographic area:

- 1. The type of managed care system being used by the plan
2. The costs associated with the plan and the health care services that are covered
3. The participating doctors, hospitals, and labs

Before starting to shop for health insurance, you must determine who handles the enrollment process for Marketplace health plans in your state.

In some cases, your state government will have a Website for this process. In other cases, the federal government will handle the process through HealthCare.gov.

If you want to know who runs the Health Insurance Marketplace for your home state, check out the online database published by The Henry J. Kaiser Family Foundation, a non-profit organization.2

You can also get help from insurance agents or brokers, according to the Centers for Medicare & Medicaid Services (CMS), a government agency.3

CMS says that these professionals are required to register with the agency before being authorized to serve you in a Federally-facilitated Marketplace or a State Partnership Marketplace.3

The U.S. Government runs the Federally-facilitated Marketplace, which is publicly known as HealthCare.gov.

In a State Partnership Marketplace, the Marketplace functions are shared by both a state and the federal government, according to CMS.4

Both of these marketplaces are usually referred to as Health Insurance Marketplaces, which are places where health plans that meet the requirements of the Affordable Care Act can be sold. CMS says that only health plans that provide essential health benefits can be approved for sale in a Marketplace.4

The National Conference of State Legislatures (NCSL) says that health plans must provide ten categories of essential health benefits in order to be approved for sale in a Health Insurance Marketplace.5

NCSL lists those benefits as ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness and chronic disease management; and pediatric services, including oral and vision care.

If you live in a state such as Florida, you would visit HealthCare.gov during open enrollment to compare and enroll in health plans that provide essential health benefits.

But, as the Centers for Medicare & Medicaid Services (CMS) notes, an authorized agent or broker can explain how to complete the application on HealthCare.gov.3

In exchange for helping you, the agent or broker would then be paid a commission by the health insurance company whose plan you pick.

An agent or broker can also use a health insurance company's Website to help you enroll in a Marketplace health plan, according to CMS.3

That could prove to be a simpler and far less stressful option than tackling the application and enrollment process yourself.

Understanding Managed Care Plans

Regardless of how you buy a Marketplace health plan, it's helpful to understand how managed care works.

Health plans that meet the requirements of Obamacare are usually designated as one of three types of managed care: Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and Point of Service (POS) plans.

MeSH, the National Library of Medicine's thesaurus, defines HMOs as systems that provide prepaid health care in a specific geographic area and require enrollees to use designated health care providers.6

In other words, if you were enrolled in an HMO plan, you would have to use a doctor who is part of the HMO network in order for your insurance plan to pay for covered medical services.

HMOs also require you to choose a primary care physician, the doctor who manages your overall health care and refers you to specialists when necessary.

PPOs are a bit more flexible. On HealthyChildren.org, the American Academy of Pediatrics says that members of PPOs can refer themselves to doctors outside the network but will incur lower cost-sharing expenses when using doctors in the network.7

AARP, an organization for retired people, says that POS plans combine elements of HMOs and PPOs.8 The organization adds that in a POS plan, you would choose a primary care physician just as you would in an HMO. But, as AARP notes, you would also be able to use the plan as a PPO by using out-of-network providers while still receiving coverage for part of your medical expenses.

Regardless of whether you choose a POS, PPO, or HMO managed care plan, the most difficult aspect of shopping for health insurance is determining if your insurance will cover enough of your medical expenses.

Determining the Cost of Health Care

Each health plan that meets the requirements of the Affordable Care Act, or Obamacare, is not only classified as being a specific type of managed care but also as being a Bronze, Silver, Gold, or Platinum plan.

In training materials, the Centers for Medicare & Medicaid Services says that in Bronze plans, the insurance company pays an average of 60 percent of the cost of essential health benefits.4 CMS adds that the amount is 70 percent in Silver plans, 80 percent in Gold plans, and 90 percent in Platinum plans.

Of course, a plan that covers more of your medical care will also have a higher premium, which is the amount you must pay for the plan each month.

Then there are cost-sharing expenses from your health plan such as the deductible, co-payment, and coinsurance.

The deductible is the amount of money that you must spend on health care before your health plan begins paying for covered health care services.

The copayment, or copay, is a fixed amount of money that you would pay for health care such as a doctor's exam or a prescription drug, according to the Centers for Medicare & Medicaid Services (CMS), a government agency.9

CMS also says that coinsurance is the percentage that a consumer must pay for a covered health care service. The agency adds that this percentage can include paying a deductible.

If you're still not sure how much it will cost you for a medical exam, diagnostic tests, or prescription drugs when using a health plan, there's additional help available for you.

Under the Affordable Care Act, health insurance companies are now required to provide you with a summary of benefits and coverage document for each Marketplace health plan that they sell, according to the Center for Consumer Information & Insurance Oversight.10

That document explains what it would cost you to use an in-network health care provider or an out-of-network provider for services such as a visit to a doctor's office; diagnostic tests such as x-rays and blood tests; prescription drugs; outpatient surgery; emergency room services; a hospital stay; or mental health needs.11

But the summary of benefits and coverage only approximates what your medical care might cost. The actual expenses vary according to the type of managed care plan that you've chosen, the insurance company issuing the plan, and the Bronze, Silver, Gold, or Platinum designation of the plan.

However, there are professionals who are skilled enough to understand the complex fee structures of health insurance: insurance agents and brokers. They constantly compare expenses from different health plans and assess whether any given plan will fit someone's budget and provide enough health care coverage. That's why it's such a good idea to use their services.

If you still want to do a little health care homework before hiring an agent or broker, be sure to visit HealthcareBluebook.com, a Website that describes itself as "a guide to help you determine Fair Prices in your area for healthcare services."

You can use the site to look up fair prices for health care services in several categories: hospital, physician, x-ray and imaging, labs, cosmetic medicine, hearing aids, dental, and medications.

So, if you have a pre-existing health condition and might require treatment sometime in the future, you can use HealthcareBluebook.com to look up the cost.

You can then narrow your choice of health plans down to only those plans that provide enough coverage for the cost of the treatment. Afterwards, speak to an insurance agent or broker who can help you enroll in one of those plans.

Navigating Managed Care Networks

Shopping for health insurance involves more than just finding a health plan that covers enough of your medical expenses. You should also evaluate the quality of the doctors, hospitals, and other health care facilities that participate in a plan's network.

MedlinePlus.com, a Website from the National Institutes of Health, says that managed care plans "have contracts with health care providers and medical facilities to provide care for members at reduced costs."12 The site adds that these providers and facilities comprise the plan's network.

Health insurance companies have online directories listing the providers in their network. Among the insurance companies with online provider directories are Assurant Health, Cigna, and UnitedHealthcare.

If you're evaluating a health plan, check the plan's provider directory to see which doctors participate in the plan's network. Then check the credentials and public reviews of those doctors. To do so, visit Websites such as Healthgrades.com, RateMDs.com, and ZocDoc.com.

Finding a good doctor is important. If you put time and energy into shopping for clothes, a car, or a TV, you should put just as much effort into finding a good physician.

And remember that agents and brokers can help you navigate the confusing world of health insurance.

Selective Healthcare

At Selective Healthcare, we understand the health insurance industry. Our licensed insurance agents and brokers can help you find a health plan that matches your budget and needs.

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