



Be smart about health insurance

My Smart Choice Health Insurance Workbook

4th edition



Cooperative Extension

COLLEGE OF AGRICULTURE &
NATURAL RESOURCES



UNIVERSITY OF
MARYLAND
EXTENSION

Smart Choice and Smart Use Health Insurance™

2017 University of Maryland Extension Health Insurance Literacy (HILI) Team:

Virginia Brown, MA, DrPH; Jesse Ketterman, PhD; Lynn Little, MS (Emerita); Lisa McCoy, MS, RDN; Extension Educators
Bonnie Braun, PhD, Professor Emerita; Ali Hurtado, PhD; UMD School of Public Health
Teresa McCoy, MPA, DPA, Assistant Director, Evaluation & Assessment
Chenzi Wang, PhD, Coordinator of Program Development and Evaluation
Maria Pippidis, MS, AFC®·CEPF, Extension Educator, University of Delaware Cooperative Extension

Funding for this project is provided by

University of Maryland College of Agriculture and Natural Resources and University of Maryland Extension

Parts of this document were adapted from
the University of Missouri *Making Your Money Count Curriculum*, Chapter 7.

Some information was adapted from **www.HealthCare.Gov** including the definitions for the *Important Words to Know* sections of this workbook.

For additional health insurance information, questions and answers go to: extension.umd.edu/insure

For questions about the workbook, contact: Dr. Bonnie Braun, bbraun@umd.edu



The American Association of Family and Consumer Sciences awarded Smart Choice Health Insurance™ the 2014 Family Economics Resource Management Community Education Award.

The National Extension Association of Family and Consumer Sciences awarded Smart Choice Health Insurance™ a 2015 Regional Family Health and Wellness Award.

The USDA National Institute for Food and Agriculture awarded Smart Choice Health Insurance™ the 2016 Jeanne M. Priester Award, Individuals and Families category in recognition of outstanding contributions to the Cooperative Extension System and the public in the area of health and wellness and the positive impact it has had on improving health insurance literacy among individuals and families.

University of Maryland, College of Agriculture and Natural Resources awarded Smart Choice Health Insurance™ the 2016 Integrated Research and Extension Award for taking research and translating that research into education and delivering that education to meet consumer needs.



This workbook and content of the Smart Choice and Smart Use Health Insurance™ are trademarked. For more information see the back cover of this document.

Recommended Citation:

University of Maryland Extension. (August, 2017). *My Smart Choice Health Insurance™ Workbook, 4th edition*. College Park, MD: University of Maryland.

Key Questions I Need to Answer

Why?

- **Why do I need health insurance?**
- **Why is it important?**

What?

- **What do I need and want?**
- **What are my choices?**

How?

- **How much can I afford?**
- **How much will it cost?**

Answering these important questions will help me make a Smart Choice health insurance decision.

Using this Workbook Can Help You Make a Smart Choice Health Insurance Decision

Did you know that most consumers dread making decisions about health insurance? They are not really sure if they have the right amount of health insurance coverage.

Most are not comfortable with the terms and rules of health insurance plans. Many consumers don't have confidence in their decisions.

Health insurance is very important, but choosing the best plan for you and your family can be complicated and expensive.

This workbook offers tools to give you confidence and help you build your smart shopping skills.

The tools you will find in this workbook are:

- ✔ **Definitions** you will need to understand health insurance.
- ✔ **Worksheets** to help you make your own **Smart Choice**:

- **My Health Insurance Needs** to help you identify you and your family's health care needs - pages 6-12;

- **My Health Insurance Plan Comparison** to help you compare plans and estimate costs - pages 13-21;

- **My Monthly Spending Plan** to help you plan for health care costs - pages 22-23.



Let's get started.

My Smart Choice Health Insurance Decision Checklist

- ☐ Make a list of my questions before it is time to choose my health plan.
- ☐ Review important words to know (including deductible, out-of-pocket costs, copayment, coinsurance).
- ☐ Complete the **My Health Insurance Needs Worksheet**.
- ☐ Explore health insurance options available to me and my family.
- ☐ Complete the **My Health Insurance Plan Comparison** worksheet.
- ☐ Gather financial information and complete the **My Monthly Spending Plan** to determine my health insurance budget.
 - ☐ Investigate savings options for my health care dollars.
- ☐ Compare my health insurance options to determine which plan best fits my needs and spending plan.
- ☐ **Make a Smart Choice health insurance decision.**

How Do I Know How Much Health Insurance I Will Need?

The first worksheet, **My Health Insurance Needs**, will help you put together all the details about the health services you currently use.

As you fill in the worksheets keep in mind that **Health Insurance Marketplace** insurance plans for individuals and small businesses include **Essential Health Benefits** and **Preventive Services**.

Under any plan sold in the consumer or small business **Health Insurance Marketplace**, healthcare providers participating in the **Network** must offer **Preventive Services** with no out-of-pocket cost to you. If you use healthcare providers not in the **network**, you will have to pay a higher copayment and/or higher coinsurance.

If you have an employer sponsored health plan and are not sure if your plan covers **Preventive Services**, go to the health insurance company's website or talk to your employer's health benefits representative.

To complete the **My Health Insurance Needs** worksheet you will need to think about how you and your family use **Health Care Services**. Look back through a calendar or your health records to make an estimate about which doctors you have seen and how often. If you haven't kept records, you can ask your doctors or pharmacist for this information. If you have health insurance, the insurance company will also have this information. Contact a customer service representative or go online to review your account.

✓ **Now you are on your way to making a Smart Choice health insurance decision for you and your family.**



Important Words to Know

Health Care Services - Health care delivered by practitioners in medicine, optometry, dentistry, nursing, pharmacy, emergency medical, allied health, and other disciplines.

Essential Health Benefits - Must include items and services within at least the following 10 categories: 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 services and chronic disease management; and pediatric services, including oral and vision care.

Preventive Services - Most health plans must cover a set of preventive services like annual check-ups, shots and screening tests at no additional out-of-pocket cost to you.

Health Insurance Marketplace (Marketplace) - A web site where individuals, families, and small businesses can learn about their health coverage options; compare health insurance plans based on costs, benefits, and other important features; choose a plan; and, enroll in coverage.

Network - Groups your health insurer or plan has contracts with to provide health care services. Anyone who is part of the group is considered "in-network" or a "preferred provider." A provider who is not part of the group is "out-of-network."

SECTION 1: My Family's Doctors Visits

This section will help you identify you (and your family's) needed health care services .

- 1) Do we have a **primary care provider**? ☐ Yes ☐ No
- 2) Do we see any **specialists**? Examples: allergist, OB-GYN, ophthalmologist ☐ Yes ☐ No
- 3) How many times did my family and I visit the doctor? Please fill in the chart below.

| Person | Doctor Visits | Why You See Them | How Often Seen |
|-----------------------|---|--|-----------------------------|
| <i>Example</i> | Dr. Smith Dr. Sanchez (ophthalmologist) Dr. Jones (dentist) | Yearly exam and flu shot Yearly eye exam Twice yearly cleaning | 1 time 1 time 2 times |
| <i>Me</i> | | | |
| <i>Spouse/Partner</i> | | | |
| <i>Child</i> | | | |
| <i>Child</i> | | | |
| <i>Child</i> | | | |

Important Words to Know

Primary Care Provider -

A doctor, nurse practitioner, clinical nurse specialist or physician assistant, as allowed under state law, who provides, coordinates or helps a patient access a range of health care services.

Specialist - A health care provider who focuses on a specific area of medicine or health care.

SECTION 1: My Family's Doctor Visits - continued

Below are some questions to help you figure out how often you and your family visited the doctor in the past year. Use the information from the chart on page 6 to fill in the blank spaces for questions 4 through 8.

- 4) About how many times did we each visit our primary care provider in the past year? _____
- 5) About how many times did we visit specialists in the past year? _____
- 6) In the past year, how many times did we go to **urgent care**? _____
- 7) In the past year, how many times did we go to the emergency room (ER)? _____
- 8) How many people do I need to buy insurance for? (You, spouse or partner, and children). _____

Important Words to Know

Urgent Care - Care for an illness, injury or condition serious enough that a reasonable person would seek care right away, but not so severe as to require emergency room care.

SECTION 2: My Family's Prescriptions

- 9) Do we take any **prescription drugs**? ☐ Yes ☐ No

Prescription Drugs - Medicines that by law require a prescription from the doctor.

Use this chart to help you figure out which prescription drugs your family takes and how much they cost.

| I take: | How often do I get refills? | How much do I have to pay for each refill? |
|---|--------------------------------|--|
| <i>Example: Synthroid</i> | <i>Quarterly</i> | <i>\$20</i> |
| | | |
| | | |
| My spouse or partner and children take: | How often do they get refills? | How much do I have to pay? |
| | | |
| | | |
| | | |

SECTION 3: My Family's Health Care Changes for the Coming Year

10) Is there anything coming up in the next 12-18 months that I did not have to plan for last year? ☐ Yes ☐ No

The chart below can help you think about your health care needs for the coming year. You can then put all these needs together in one place. This can help you see if you need to plan for and choose different health insurance coverage.

| New situation I will have | What kind of insurance coverage will I need? |
|--|--|
| <i>Example: I want to have a baby</i> | <i>Obstetrics and gynecology, hospital stay, prenatal medicine</i> |
| <i>Example: Child turning 26</i> | <i>Cannot be covered anymore on my insurance</i> |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Will my current health insurance coverage be enough? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know | |

SECTION 4: Prioritizing My Family's Health Insurance Needs

- 11) Based on my answers to questions 1-10 (pgs. 6-8), I may want to pay attention to the items below when choosing a health insurance plan. To help identify the best plan for me and my family, I would rank from 1 (most important) to 5 (least important) the following :
- _____ The likely changes in health care needs for me and my family in the next 12-18 months.
 - _____ The doctors my family and I see are included in the **network** of the health insurance plan.
 - _____ The prescription drugs that my family and I need are covered by the insurance.
 - _____ The monthly (or yearly) cost of insurance (this would be the **premium**).
 - _____ The amount of **out-of-pocket costs** including emergencies, **deductible, copayment** or **coinsurance** and **out-of-pocket maximum**.

SECTION 5: Summary of Insurance Coverage Needs

- 12) Given my family's health history, my health insurance needs include coverage for (check all that apply):
- | | |
|---------------------------|---------------------------------|
| _____ Health | _____ Vision |
| _____ Dental | _____ Mental Health |
| _____ Preventive Services | _____ Substance Abuse Treatment |
| _____ Prescription Drugs | _____ Maternity Coverage |

Important Words to Know

Premium - The amount that must be paid for your health insurance plan. Premiums may be shared between you and your employer.

Out-of-pocket costs - Your expenses for medical care that aren't reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services plus costs for services that aren't covered by insurance.

Deductible - The amount you owe for health care services your health insurance plan covers before your health insurance plan begins to pay. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

Copayment - A fixed amount you pay for a covered health care service, usually when you get the service. You may have to meet your deductible first.

Coinsurance - Your part of the costs of a covered health care service. This is a part of the allowed amount for the service. You pay this amount once you have met your deductible.

Maternity Coverage - The coverage for prenatal screenings, delivery and, after birth, well baby and well mother visits.

Benefits - The health care items and services covered by a health insurance plan. Covered benefits and excluded services are defined in the health insurance plan's documents.

Allowed Amount - The maximum dollar amount on which an insurance payment is based for covered health care products and services. This may also be called an 'eligible expense,' 'payment allowance' or 'negotiated rate.' If your health provider charges more than the allowed amount, you may have to pay the difference.

What Are the Sources for Health Insurance Plans?

There are several ways in which you can access and buy health insurance. They can be divided into two categories: private insurance and government insurance. Examples of private insurance sources include plans that are offered through your employer, the Health Insurance Marketplace, and private insurers. Government insurance includes the Children's Health Insurance Program (CHIP), Medicaid, Medicare, and TRICARE.

What Is a Summary of Benefits and Coverage (SBC) Statement?

All health insurance plans must provide an easy to read summary format that lets you make comparisons of costs and coverage between health plans. You can compare options based on price, benefits and other features that may be important to you. As you review the Summary of Benefits and Coverage (SBC) from your employer, the Marketplace or insurance provider, be sure to consider your health care service needs by comparing page 9 of this workbook with the health care services covered by the plan.

What Are the Health Plan Options and How Are They Different?

There are five main types of health insurance plans: **Fee-for-service** plans; **Exclusive Provider Organization (EPO)**; **Health Maintenance Organization (HMO)**; **Point-Of-Service (POS)** and **Preferred Provider Organization (PPO)**.

It is important for you to understand the differences in types of health care plans when making a **Smart Choice** health insurance decision.

Understanding Types of Plans

Fee-for-Service Plan - A type of insurance plan in which health care providers receive a fee for each service provided to insured patients. These plans normally cover hospitalization, outpatient care, and doctor services in or out of the hospital. You select the healthcare providers for office visits or treatments. You are billed for the service by the health care provider and then reimbursed by the insurance company, or you can "assign" direct payment by the insurance company to the provider. These plans typically require you to pay premiums, deductibles, and coinsurance. Limits on certain coverage or exclusions may apply.

Exclusive Provider Organization (EPO) - A plan that covers services only if you go to doctors, specialists, or hospitals on the plan's approved list (network). You can go to any provider in an emergency.

Health Maintenance Organization (HMO) - A plan that only covers care from doctors who are part of the HMO. It generally will not cover out-of-network care unless it's an emergency. You may have to live or work in a certain area to be covered.

Point of Service (POS) - A plan in which you pay less if you use providers that are in the plan's network. You will need to select a primary care provider for regular checkups and referrals to see a specialist. You can use out-of-network providers at a higher cost.

Preferred Provider Organization (PPO) - A plan that has a special network or group of providers. You pay less if you use providers in the plan's network. You may not need a referral from your primary care doctor to see a specialist. This type of plan usually has payment options for using health care services that are in and out of the network. Copayments are charged for each visit.

What Are The Marketplace Health Plan Categories ?

Plans in the Marketplace are separated into 4 health plan categories - **Bronze, Silver, Gold, or Platinum** - based on the average cost of coverage. The plan category you choose affects the total amount you'll likely spend for essential health benefits during the year. All plan types (EPO, HMO, POS and PPO) are available on the Health Insurance Marketplace. If you select a POS plan, for example, you will be responsible for more of the health costs at the bronze level than at the platinum level. Comparing Marketplace cost tiers allows you to select the plan that best fits your health care needs and your spending plan.

For more information on how the Health Insurance Marketplace works, contact your local Marketplace office or go to www.healthcare.gov.

How Do I Compare Health Insurance Plans?

Whether the plans you are considering are purchased from the Health Insurance Marketplace, through your employer or a private insurer, **My Health Insurance Plan Comparison** worksheet is a tool you can use to organize and compare the

information about coverage and costs for the plans. Important criteria are on the left side of the worksheet. There is a place to make notes for three different plans you may want to compare. Refer back to your **My Health Insurance Needs** worksheet (pgs. 6-9) for information as you complete the plan comparisons.

This comparison tool will help you estimate the out-of-pocket costs for each plan you are considering. You will find most of the information you need in the Summary of Benefits and Coverage provided by the insurance company. For additional information check the company's website or call the company's customer service representatives.

If the plan you are considering doesn't include important medical services that your family needs, you may need to choose a different plan or buy an additional plan that will cover the necessary medical services. For example, adult dental or vision services are not covered in some plans. So you may need to purchase an additional plan.



Description of the Tiers

Bronze - Insurance will cover 60% of costs for most people. Your coinsurance will be about 40% of costs. This tier has the lowest premiums and the highest out-of-pocket costs.

Silver- Insurance will cover 70% of costs for most people. Your coinsurance will be about 30% of costs. This tier has low premiums and higher out-of-pocket cost. This plan may offer the best value if you qualify for cost-sharing reductions based on your income.

Gold - Insurance will cover 80% of costs for most people. Your coinsurance will be about 20% of costs. This tier has high premiums and low out-of-pocket costs.

Platinum - Insurance will cover 90% of costs for most people. Your coinsurance will be about 10% of costs. This tier has the highest premiums and the lowest out-of-pocket costs.

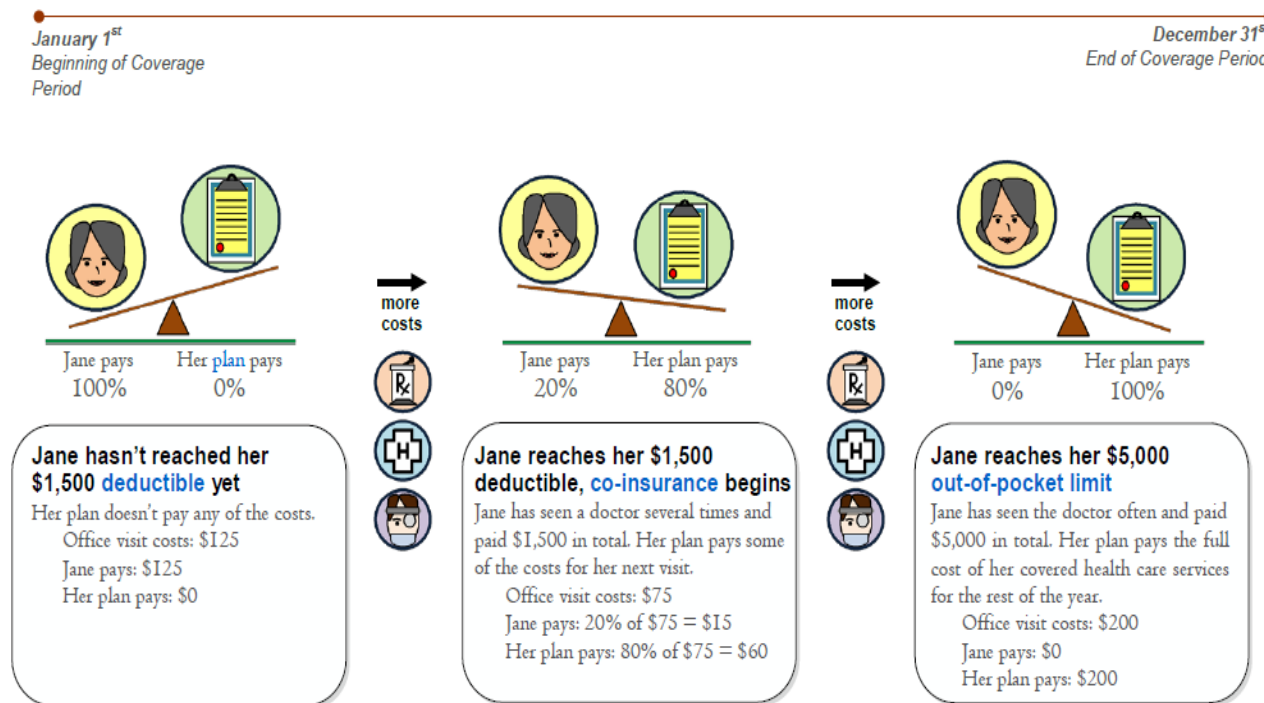
From: <https://www.healthcare.gov/glossary/health-plan-categories/>

How Does Health Insurance Work?

Understanding how insurance works and what it will cost you (deductibles, **out of-pocket maximums/limits**, copayments, and coinsurance) can be a little tricky. Here is an example of how and by whom costs are covered over the health insurance plan year.

How You and Your Insurer Share Costs - Example

Jane's Plan Deductible: \$1,500 Co-insurance: 20% Out-of-Pocket Limit: \$5,000



This example is taken from the Glossary of Health Coverage and Medical Terms found at <http://www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf>. March 2013

Important Words to Know

Out-of-Pocket Maximum/Limit -The most you pay during a plan year (12 months) before your health insurance or plan begins to pay 100% of the allowed amount. This limit never includes your premium, balance-billed charges, or health care your health insurance plan doesn't cover or allow.

Some health insurance plans also do not include your copayments, deductibles, coinsurance payments, out-of-network payments, or other expenses toward your out-of-pocket maximum/limit.

In Medicaid and the Children's Health Insurance Program (CHIP), premiums are counted toward the out-of-pocket maximum/limit.



Let's get started.



My Health Insurance Plan Comparison

This section will help you compare plans and decide which plans provide affordable access to the doctors and services your family needs. Some information is provided in the Summary of Benefits

and Coverage for each plan. However, you may need to contact the insurance company website or customer service representative for more detailed information.

| Section 1: Types of Plans and Accessing Medical Services | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: |
|--|---|---|---|
| What type of insurance plan? EPO—Exclusive Provider Organization HMO—Health Maintenance Organization POS—Point of Service PPO— Preferred Provider Organization | <input type="checkbox"/> EPO <input type="checkbox"/> HMO <input type="checkbox"/> POS <input type="checkbox"/> PPO | <input type="checkbox"/> EPO <input type="checkbox"/> HMO <input type="checkbox"/> POS <input type="checkbox"/> PPO | <input type="checkbox"/> EPO <input type="checkbox"/> HMO <input type="checkbox"/> POS <input type="checkbox"/> PPO |
| What is the health plan category ? Information about health plan categories is found on page 11 of this workbook. | <input type="checkbox"/> Employer <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Platinum | <input type="checkbox"/> Employer <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Platinum | <input type="checkbox"/> Employer <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Platinum |
| What is the coinsurance for services? | % _____ | % _____ | % _____ |
| Are ALL my providers (doctors, hospitals, specialists, pharmacies, etc.) in the plan's network? (Look on the insurance company's web site or call to find out.) | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Can I choose my health care providers? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do I need referrals for specialists? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do I need preauthorization for medical procedures? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Does this plan accept the doctor's billing or do I have to pay upfront and get the plan to reimburse me? | <input type="checkbox"/> Accept <input type="checkbox"/> Pay up front | <input type="checkbox"/> Accept <input type="checkbox"/> Pay up front | <input type="checkbox"/> Accept <input type="checkbox"/> Pay up front |

Important Words to Know

Referral - A written order from your primary care doctor for you to see a specialist or to get certain medical services. Some health insurance plans require a referral before you can get medical care from a specialist. If you do not, the plan may not pay for the services.

Preauthorization - A decision by your health insurer that health care service, treatment plan, prescription drug or durable medical equipment is medically necessary. The plan may require preauthorization for certain services before you receive them, except in an emergency.



My Health Insurance Plan Comparison

This section helps you compare health insurance plans for the important coverage you identified in Section 5 of **My Health Insurance Needs** (pg. 9). Some information will be provided in the plan's Summary of Benefits and Coverage.

However, you may need to check the insurance company's website or call the company's customer service representatives to get additional information or to have questions answered for your specific situation.

| Section 2: Coverage | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: | Important Words to Know |
|---|---|---|---|-------------------------|
| <p>This plan covers these services (Covered essential benefits and other services):</p> <p>Mark off the services this plan provides by making an "X" next to the service.</p> | <input type="checkbox"/> Medical <input type="checkbox"/> Vision <input type="checkbox"/> Prescription <input type="checkbox"/> Dental <input type="checkbox"/> Maternity <input type="checkbox"/> Mental Health <input type="checkbox"/> Substance Abuse | <input type="checkbox"/> Medical <input type="checkbox"/> Vision <input type="checkbox"/> Prescription <input type="checkbox"/> Dental <input type="checkbox"/> Maternity <input type="checkbox"/> Mental Health <input type="checkbox"/> Substance Abuse | <input type="checkbox"/> Medical <input type="checkbox"/> Vision <input type="checkbox"/> Prescription <input type="checkbox"/> Dental <input type="checkbox"/> Maternity <input type="checkbox"/> Mental Health <input type="checkbox"/> Substance Abuse | |
| <p>This plan has excluded services: (Review your family's needs (pages 6-9) and compare them to the excluded services. Be sure the plan includes all necessary services). Health insurance companies can't refuse to cover you or charge you more just because you have a pre-existing condition.</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what is excluded? | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what is excluded? | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what is excluded? | |
| <p>Is there a waiting period on maternity benefits and how long is it?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No How long? ____ | <input type="checkbox"/> Yes <input type="checkbox"/> No How long? ____ | <input type="checkbox"/> Yes <input type="checkbox"/> No How Long? ____ | |
| <p>Are there any special limits or exclusions on maternity benefits?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>What is the amount of the out-of-pocket maximum/limit?</p> | | | | |
| <p>If I travel out-of-network, does this plan cover care outside my local area? If I travel out of the country or out of state, does this plan provide coverage?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>Does the company have a high number of consumer complaints? (To find out, call your state's Insurance Commissioner's Office or visit their website).</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

My Health Insurance Plan Comparison



This section will help you compare health insurance plan costs, including the premium, deductible, and copayments.

Using your information from pages 6-7 and the Summary of Benefits and Coverage (SBC) for each plan you are comparing, calculate your total estimated out-of-pocket costs.

| Section 3: Health Insurance Plan Costs | | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: |
|--|---|--|--|--|
| \$ Annual premium amount | | \$ ____ per month x 12 months = \$ ____ | \$ ____ per month x 12 months = \$ ____ | \$ ____ per month x 12 months = \$ ____ |
| \$ How much is the annual deductible? | | \$ ____ | \$ ____ | \$ ____ |
| How much is your copayment? Use the estimated number of visits from the My Health Insurance Needs (pgs. 6-7) to help complete this section. | Primary Care Doctor Copayment | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ |
| | Specialist Copayment | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ |
| | Urgent Care Copayment | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ |
| | Emergency Room (ER) Copayment | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ |
| | Hospitalization Copayment: | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ | \$ ____ per visit x ____ visits = \$ ____ |
| \$ Total Out-of-pocket costs you may pay yearly. (Add together the annual deductible and all the estimated copayments for each plan). | | \$ ____ | \$ ____ | \$ ____ |

My Health Insurance Plan Comparison

Some health insurance plans cover the cost of **prescription drugs**, while others do not. Given your family's medical service needs, it will be important to determine if you:

- 1) need prescription drug coverage and
- 2) have adequate insurance to cover these costs. Look back at pg. 7 for last year's prescription drug costs for your family.

This section enables you to calculate the out-of-pocket costs for prescription drugs. For health insurance plans that include **prescription drug coverage**, use **Row 1** to determine your out-of-pocket costs. If you need to buy a prescription drug plan use **Row 2**. The final row **\$ Total Prescription Drug Costs**, will include the plan premium plus copayments.

| Section 4: Prescription Drug Costs - use information on pg. 7 to calculate your costs. | | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: |
|---|---|--|--|--|
| Prescription Drug Costs Find out prescription drug costs by checking online or by calling the company; ask about the formulary . | Row 1: The cost of prescriptions is covered minus copayments. | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ |
| | Row 2: I need to buy a separate plan. Premium Costs | \$ ____ monthly premium x 12 = \$ ____ /year | \$ ____ monthly premium x 12 = \$ ____ /year | \$ ____ monthly premium x 12 = \$ ____ /year |
| | Copayment | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ | \$ ____ copayment per prescription x ____ number of prescriptions filled = \$ ____ |
| \$ Total Prescription Drug Costs | What I may pay yearly for prescriptions (For each column, use the totals from either Row 1 or 2.) | \$ ____ | \$ ____ | \$ ____ |

Important Words to Know

Prescription Drug Coverage - Health insurance or plan that helps pay for prescription drugs and medications.

Formulary - A list of prescription drugs covered by a prescription drug plan or another insurance plan offering prescription drug benefits. Also called a drug list.

My Health Insurance Plan Comparison

Not all health insurance plans include **Vision Coverage**. Given your family's medical service needs, it will be important to:

- 1) determine if you need vision coverage and
- 2) have adequate insurance coverage to cover these costs.

This section provides a place for you to calculate the out-of-pocket

costs for vision services. For health insurance plans that include vision services and products, use **Row 1** to determine your out-of-pocket costs. If you need to buy a vision health insurance plan use **Row 2**.

| Section 5: Vision Care | | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: |
|------------------------------|--|--|--|--|
| Vision Coverage | Row 1: The cost of vision services is covered. I only have copayments. | \$ ____ copayment per Doctor visit X ____ number of visits = \$ ____ | \$ ____ copayment per Doctor visit X ____ number of visits = \$ ____ | \$ ____ copayment per Doctor visit X ____ number of visits = \$ ____ |
| | Row 2: I need to buy a separate plan. Premium Copayment | \$ ____ monthly premium x 12 = \$ ____ /year \$ ____ copayment per doctor visit x ____ number of visits = \$ ____ | \$ ____ monthly premium x 12 = \$ ____ /year \$ ____ copayment per doctor visit x ____ number of visits = \$ ____ | \$ ____ monthly premium x 12 = \$ ____ /year \$ ____ copayment per doctor visit x ____ number of visits = \$ ____ |
| Vision Services Costs | What I may pay yearly for Vision Services (For each column, insert the totals from either Row 1 or 2). | \$ ____ | \$ ____ | \$ ____ |
| Vision Product Costs | Estimated costs for glasses frames, lenses, contacts, and other vision products. | \$ ____ frames \$ ____ lenses \$ ____ contacts \$ ____ products | \$ ____ frames \$ ____ lenses \$ ____ contacts \$ ____ products | \$ ____ frames \$ ____ lenses \$ ____ contacts \$ ____ products |
| Vision Product Costs | What I may pay yearly for glasses, frames, or lenses (Add up your estimate for vision products). | \$ ____ | \$ ____ | \$ ____ |
| Total Vision Costs | Vision Services Costs + Vision Product Costs | \$ ____ | \$ ____ | \$ ____ |

Important Words to Know

Vision or Vision Coverage - A type of health benefit that covers at least a part of vision care, like eye exams and glasses. Vision coverage may be offered either as part of a comprehensive medical plan, or through a "stand-alone" vision plan.

Depending on your location, stand-alone vision plans may not be offered through the Health Insurance Marketplace.



My Health Insurance Plan Comparison

Not all health insurance plans include **dental coverage**. With what you know about your family's health care needs, think about:

- 1) if you need dental coverage and
- 2) if your plan covers these costs

This section gives you a place to calculate out-of-pocket costs for these dental services.

For health insurance plans that include dental coverage, use **Row 1** to figure out your out-of-pocket costs.

If you need to buy a dental health insurance plan use **Row 2**.

The final row **\$ Dental Costs**, will include your premium plus your copayments.

| Section 6: Dental Care | | Option 1 Plan Name: | Option 2 Plan Name: | Option 3 Plan Name: | Important Words to Know |
|------------------------|---|---|---|---|-------------------------|
| Dental Coverage | Row 1: The cost of dental services is covered; but I do have copayments. How much is the annual deductible? What is the annual limit? | \$ ____ copayment per Dentist visits X ____ number of visits = \$ ____ \$ ____ \$ ____ | \$ ____ copayment per Dentist visits X ____ number of visits = \$ ____ \$ ____ \$ ____ | \$ ____ copayment per Dentist visits X ____ number of visits = \$ ____ \$ ____ \$ ____ | |
| | Row 2: I need to buy a separate plan? <div>Premium</div> <div>Copayment</div> | \$ ____ monthly premium x 12 = \$ ____/year \$ ____ copay per Dentist visits X ____ number of visits = \$ ____ \$ ____ | \$ ____ monthly premium x 12 = \$ ____/year \$ ____ copay per Dentist visits X ____ number of visits = \$ ____ \$ ____ | \$ ____ monthly premium x 12 = \$ ____/year \$ ____ copay per Dentist visits X ____ number of visits = \$ ____ \$ ____ | |
| | How much is the annual deductible? | \$ ____ | \$ ____ | \$ ____ | |
| \$ Dental Costs | What I may pay yearly on dental services. For each column, insert the totals from either Row 1 or 2. | \$ ____ | \$ ____ | \$ ____ | |

Dental Coverage -
Benefits that help pay for the cost of visits to a dentist for basic or preventive services, like teeth cleaning, X-rays, and fillings. In the Health Insurance Marketplace, dental coverage is available either as part of a comprehensive medical plan, or by itself through a "stand-alone" dental plan.

My Health Insurance Plan Comparison

The next page will help you add up all the health, vision and dental insurance costs. Go back to the previous pages and copy the total costs for each type of health care. Look at the row that has a \$ in front of it to find the total for that section.

Once you fill in the numbers, add up each column to find the **Total Estimated Yearly Health Care Costs** for each plan option you are comparing.

Now that you have calculated the yearly cost for health insurance plans, the next step is to calculate the **Estimated Monthly Health Care Costs** for the insurance plans you are comparing. Using the figures in the first column for each option, divide this number by 12 to estimate the monthly costs. Next add up the monthly cost column for each option to determine the estimated monthly cost for the plan.

The estimated monthly cost includes actual monthly amounts such as the monthly premium and also estimated monthly expenses such as copayments and deductibles.

You may be surprised that the option with the lowest premium may have the highest costs. This occurs because when paying lower premiums you are taking on more of the risk and responsibility and therefore may have more out-of-pocket expenses. See page 11, Description of the Tiers as a reminder.

Comparing health insurance plans will help you take charge of your health and finances. Knowing the total monthly and yearly costs for each option will help you select the most affordable plan that meets your health care needs.

Planning and saving for health care costs are important steps in being prepared when health care expenses occur.

Once you know the total annual and monthly costs for each plan you will be able to make a **Smart Choice** health insurance decision.



Important Words to Know

Total Estimated Yearly Health Care Costs - The total amount you may have to pay for health care. It includes premiums, deductibles, copayments, coinsurance and all out-of-pocket costs. This total is estimated before you actually have the coverage and have health expenses under the coverage.

Estimated Monthly Health Care Costs - This is the total yearly amount divided by 12. This figure can help you determine how much you can afford on a monthly basis. It will include the actual monthly premium costs plus the estimated out-of-pocket costs for copayments, coinsurance and deductibles.

My Health Insurance Plan Comparison

| Section 7: Estimating Monthly Medical Expenses | | Option 1: | | Option 2: | | Option 3: | |
|---|--|-----------------|--|-----------------|--|-----------------|--|
| | | Yearly Cost | Yearly Cost divided by 12 = Monthly Cost | Yearly Cost | Yearly Cost divided by 12 = Monthly Cost | Yearly Cost | Yearly Cost divided by 12 = Monthly Cost |
| Insurance Premium (from pg. 16) | What I may pay for insurance premiums | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Out-of-pocket costs (from pg.16) | What I may pay in deductible and copayments. | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Prescription Drug Costs (from pg.17) | What I may pay for prescriptions | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Vision Costs (from pg. 18) | What I may pay for Vision Services and products. | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Dental Costs (from pg. 19) | What I may pay for dental services | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Total Yearly and Monthly Health Care Costs | | Yearly \$ _____ | Monthly \$ _____ | Yearly \$ _____ | Monthly \$ _____ | Yearly \$ _____ | Monthly \$ _____ |

Now you can begin to narrow down your choices to make a **Smart Choice** health insurance decision. The next worksheet, **My Monthly Spending Plan**, helps you organize your monthly costs for taxes, savings, living expenses and debt payments. Use your monthly bills, bank statements and credit card statements to estimate your monthly expenses. Try not to guess your expenses.

By using accurate figures you'll get a clear picture of your finances. This will help you look at your financial picture. Later you can determine how expenses can be adjusted so you can cover your health care costs. The monthly estimates for health care costs can be added to the **My Monthly Spending Plan** worksheet so you can decide which plan you can afford.

My Monthly Spending Plan

| Monthly Income (Gross pay before any deductions) | |
|---|--|
| Wages/salary #1 | |
| Wages/salary #2 | |
| Other sources: | |
| | |
| Total Income | |
| Deductions taken from your pay | |
| Federal taxes | |
| State taxes | |
| FICA/Medicare | |
| Life insurance | |
| Health Insurance | |
| Disability Insurance | |
| Flexible Spending Account | |
| Retirement Savings | |
| Other Savings (payroll deduction) | |
| Other deductions | |
| Total deductions | |

| Expenses: | |
|-------------------------------------|--|
| Housing | |
| Rent or Mortgage | |
| Insurance (Homeowner or Renters) | |
| Property taxes | |
| Maintenance/repairs | |
| Total | |
| Utilities | |
| Electric | |
| Heating oil or gas | |
| Trash/garbage | |
| Water and Sewer | |
| Telephone | |
| Cable TV | |
| Internet | |
| Cell phone | |
| Other | |
| Total | |

| Food | |
|---------------------------------------|--|
| Groceries | |
| Food away from home | |
| School lunches | |
| Other | |
| Total | |
| Transportation | |
| Car/truck payment | |
| Car/truck Insurance | |
| Maintenance/repairs | |
| Gasoline, oil, etc. | |
| Other | |
| Total | |
| Personal | |
| Clothing | |
| Personal Care | |
| Tobacco/alcohol | |
| Total | |
| Family Care | |
| Child Care or other dependent care | |
| Personal Allowances | |
| Total | |

| Health and Medical | |
|--|--|
| Insurance premium (not deducted from paycheck) | |
| Insurance copayments/ coinsurance costs | |
| Prescriptions | |
| Over-the-counter medicines | |
| Vision | |
| Dental | |
| Health Savings Account | |
| Total | |
| Educational Expenses | |
| Tuition | |
| Sports and organization fees | |
| School supplies | |
| Total | |
| Pet Care | |
| Pet food | |
| Pet supplies | |
| Veterinary services | |
| Pet care (grooming, boarding, etc.) | |
| Total | |

My Monthly Spending Plan

| Entertainment | |
|----------------------------------|--|
| Movies, books, etc. | |
| Vacation | |
| Hobbies, etc. | |
| Total | |
| Gifts & Charitable Contributions | |
| Gifts for others | |
| Charitable contributions | |
| Total | |
| Credit Payments | |
| Credit Card # 1 | |
| Credit Card # 2 | |
| Student loan payments | |
| Personal loan payments | |
| Total | |
| Additional Savings Goals | |
| Goal # 1 | |
| Goal # 2 | |
| Total | |

| Periodic Expenses | |
|--|--|
| These expenses come up once or twice a year. Fill in the estimated costs under the month they are due. Add your total and divide by 12 to determine your monthly estimate. You will want to set aside the monthly estimate so you can have the money when the periodic expense occurs. | |
| Jan | |
| Feb | |
| Mar | |
| Apr | |
| May | |
| June | |
| July | |
| August | |
| September | |
| October | |
| November | |
| December | |
| Subtotal | |
| Subtotal ÷ 12 = Total monthly portion of periodic expenses | |

| | | |
|---|-------------------------------|-------------------------|
| Summary | Total Monthly Income | \$ <input type="text"/> |
| | Total Monthly Expenses | \$ <input type="text"/> |
| Difference (total monthly income - total monthly expenses) = \$ <input type="text"/> | | |

My Smart Choice Health Insurance Decision

To make a **Smart Choice**, review the information you used to complete the following worksheets: **My Health Insurance Needs**, **My Health Insurance Plan Comparison**, and **My Monthly Spending Plan**. By completing these worksheets you will know what you need and can afford .

Now you can choose the health insurance plan that fits your needs (from pgs. 6-9) and your spending plan (from pgs. 22-23).

If there are two plans that meet your needs and fit into your spending plan, look at what they offer. Choose an affordable plan that best meets your current and upcoming health care needs.

If there is a plan that doesn't fit into your spending plan but it meets your health care needs now and for the future, review your spending plan to determine how you might adjust some of your expenses or increase your income to cover the health care costs.

By completing these steps you should feel confident that you've made a **Smart Choice** health insurance decision.

Congratulations!



Once you buy a health insurance plan, you will need to understand and use your health insurance benefits. To learn more about becoming a Smart User of health insurance visit <http://extension.umd.edu/insure>.

Acknowledgements:

Andrew Williams, Nicole Finkbeiner, Lindsey Foss, Milli Dugal, Graduate Students; Dr. Amanda Ginter, School of Public Health.
Dr. Jinhee Kim, Associate Professor & Extension Specialist, Family Resource Management;
Allison Roe, Undergraduate Intern, UMD College of Agriculture and Natural Resources;
Christine Garcia, Senior Manager, UMD Department of Residential Facilities;
Kathy Lipton, Editor; Vanessa Orlando, Graphic Artist; Sarah Radice, BS, RN, UMD;
Mia B. Russell, PhD, Wells Fargo



Cooperative Extension
COLLEGE OF AGRICULTURE &
NATURAL RESOURCES



UNIVERSITY OF
MARYLAND
EXTENSION



Smart Choice Health Insurance by University of Maryland Extension is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/4.0/>

This Smart Choice Health Insurance product is licensed by the University of Maryland under a Creative Commons Attribution license. You may download materials and share with others but you must give [appropriate credit](#) and you cannot change anything expect for the addition of your university or Extension logo and your contact information.

You may not use the material for [commercial purposes](#). If you [remix, transform, or build upon](#) the material, you may not distribute the modified material without written permission from the Health Insurance Literacy Initiative Team. For questions or concerns, please contact Dr. Bonnie Braun at bbraun@umd.edu.

The University of Maryland, College of Agriculture and Natural Resources programs are open to all and will not discriminate against anyone because of race, age, sex, color, sexual orientation, physical or mental disability, religion, ancestry, or national origin, marital status, genetic information, or political affiliation, or gender identity and expression.