Achievable

HEALTH INSURANCE DUMP SHEET

Health insurance basics

Disability income

- Pays monthly income (typically 60—70% of gross income) if unable to work due to illness or injury
- **Elimination period:** waiting period before benefits begin (e.g., 7—90 days)
- **Benefit period:** how long benefits are paid (short-term: 13, 26, or 52 weeks; long-term: a set number of years, to age 65, or for life)
- **Own occupation:** pays if you can't perform the duties of your own occupation
- **Any occupation:** pays only if you can't work in any occupation you're reasonably suited to by education, training, or experience

Medical expense insurance (HMO, PPO, POS)

- **Basic medical expense:** hospital, surgical, and miscellaneous expenses from the first dollar
- **Major medical:** high expenses after a deductible, with coinsurance (e.g., 80% insurer, 20% insured)
- **Comprehensive major medical:** basic and major medical combined, with a deductible after the basic limit
- Plan types:
  - **HMO:** preventive care; a primary care gatekeeper refers you to HMO providers
  - **PPO:** more choice of providers, but higher costs for out-of-network care
  - **POS:** an HMO-style gatekeeper, with out-of-network care at a higher cost

Long-term care

- Pays for care when unable to perform activities of daily living — usually 2 of 6 (e.g., bathing, eating, dressing)
- Individual policies must be guaranteed renewable and offer inflation protection
- Covers home or facility care; includes Alzheimer's

Accidental death and dismemberment (AD&D)

- Pays a lump sum for accidental death (principal sum) or dismemberment (capital sum, a percentage of it)
- Covers loss of a limb (above the wrist or ankle) or total blindness
- Excludes injuries while committing a crime, while impaired by alcohol or narcotics, or covered by workers' comp

Regulations and provisions

- **ACA:** bans pre-existing condition exclusions; dependent coverage to age 26; guaranteed issue and renewability; no dollar caps on the 10 essential health benefits; free preventive care; 90-day maximum waiting period. Employers with 50+ full-time employees must offer affordable coverage or pay penalties; subsidies apply in the Marketplace
- **HIPAA:** limits pre-existing condition exclusions to 12 months, and none for someone joining within 63 days of prior group coverage; guarantees group access (2—50 employees); newborns and adoptions covered from birth or placement
- **COBRA:** employers with 20+ employees must offer 18—36 months of group plan continuation after qualifying events (e.g., termination, divorce, disability)
- **Coordination of benefits (COB):** no more than 100% of a loss is paid when multiple policies apply
- **Preauthorization:** approval required for certain procedures or specialists before care; avoids denied claims

Common terms

- **Deductible:** the amount you pay out of pocket before insurance pays
- **Coinsurance:** after the deductible, you split costs (e.g., 80/20 insurer/you)
- **Copayment:** a flat fee (e.g., $20) you pay per visit or service
- **Out-of-pocket maximum:** the most you pay in a year; after that, insurance pays 100%