

What is Health Insurance?

Do I need it? Why?

What's In it?

But How Does  
it Work?

**#healthyadulthood**

A YOUNG INVINCIBLES INITIATIVE

Resource Toolkit

# #healthyadulthood

A YOUNG INVINCIBLES INITIATIVE

## #HealthyAdulthood 101: How Does My Health Insurance Work?

### What is Health Insurance?

Health insurance is a contract between you, the consumer, and an insurance provider, usually a private company or government program, to share the costs of your health care services. The Affordable Care Act (ACA) now requires most people to maintain health insurance that meets “[minimum essential coverage](#)” or pay a fine.

Yes! Accidents can happen to anyone. Health insurance can protect you from overwhelming medical debt if you get sick or injured. Plus, now thanks to the ACA, preventive services like an annual check up, screenings, and vaccinations are covered by your insurance at no additional cost to you!

### Do I need it? Why?

The Affordable Care Act requires health plans to be comprehensive, meaning there is a minimum standard that must be included in all plans sold on the health insurance marketplace. [The 10 Essential Benefits](#) include:

### What's In it?

- Outpatient services
- Emergency services
- Hospitalization
- Maternity & newborn care
- Mental health and substance abuse disorder services
- Prescription drug coverage
- Rehabilitative and habilitative services
- Lab services
- Chronic disease management/preventive and wellness services
- Pediatric services

Generally, you (the consumer) will pay a **premium**, or monthly payment, directly to your insurance provider to stay enrolled in your health insurance plan. Consumers are also responsible to pay some of their out of pocket costs, known as “**cost-sharing**.” Cost-sharing can take many forms, but most plans include a **deductible**, or the amount of money you must pay before the insurance provider starts paying for your medical costs. Many plans also include a **co-pay**, which is a fixed amount for certain types of care, like a doctor’s visit or a prescription drug, and **co-insurance**, which is a percentage

### But How Does it Work?

If you use a lot of health care services, you may reach your **out of pocket maximum**, or the maximum amount you would pay in a single year for **in-network**, covered services. Once you hit this amount, the insurance provider covers the rest of your in-network costs.

[Click here for a full glossary of health insurance terms.](#)

What if your appendix bursts? If insured, no matter what kind of plan you have, in addition to your premiums you would pay no more than \$7,000 out-of-pocket, so long as you use doctors, hospitals and other providers included in your plan's network. Without insurance, hospitalization (plus that penalty!) could cost you nearly \$40,000! Want to see your own cost comparison results? **Check out: [ACASpotlight.org](http://ACASpotlight.org).**

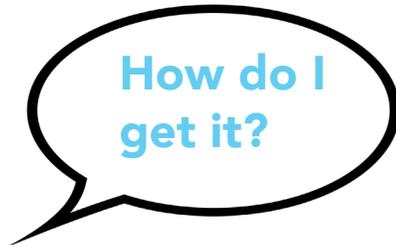
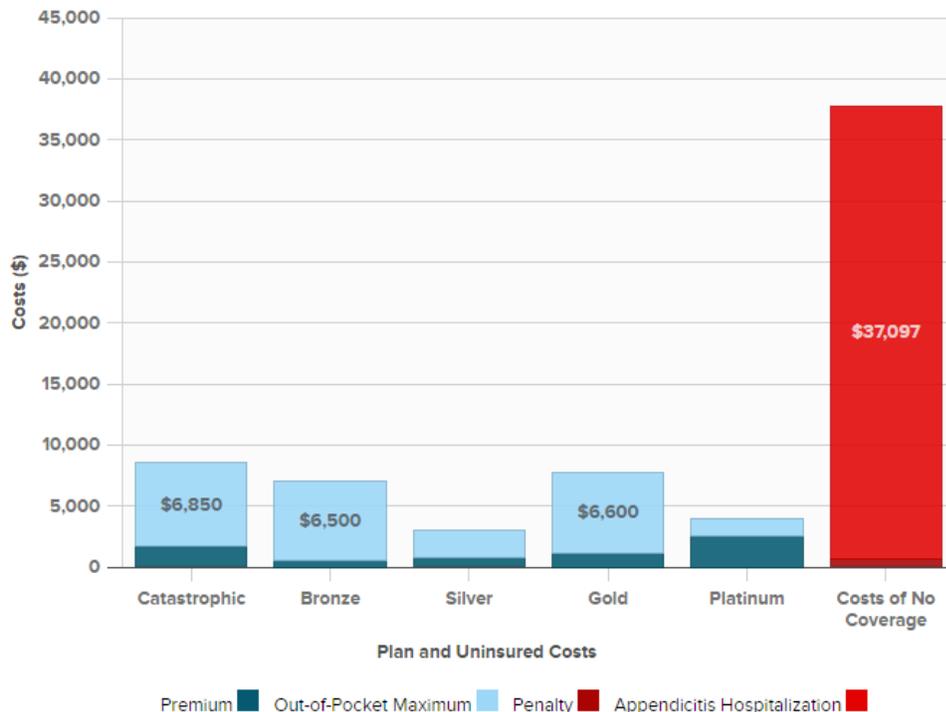
AGE: 24

NUMBER OF PEOPLE IN HOUSEHOLD: 1

HOUSEHOLD ZIP CODE: 78721

TOTAL ANNUAL HOUSEHOLD INCOME (\$): 21000

Cost of Coverage vs. No Coverage



- If you're under 26, you can stay on your parent's health insurance
- Job-based coverage through your employer or your spouse's employer
- Student health plan through a college or university
- Medicaid for qualifying low-income families and individuals
- The health insurance marketplace: [HealthCare.Gov](http://HealthCare.Gov)

## The Penalty: Why Pay Something for Nothing?

If you don't maintain health coverage all year, you may pay a penalty of \$695 or 2.5% of your income, whichever is greater. Why pay a hefty fine and still be vulnerable to high medical costs in case of an accident? Depending on your income, you may be eligible for a tax credit to lower your monthly premium, making coverage a much better deal for your health and your wallet. Check out our Tax Credits 101 fact sheet to learn more.

**Have more questions about health insurance? Download our free HealthYI app!**

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## Affordable Care Act 101

### What's important for young adults?

**Stay on your parent's plan until 26:** If your parent or guardian's plan offers dependent coverage, you can stay on their plan until the age of 26 no matter what state you live in, even if you're in school, employed, or married. Former foster youth can stay on Medicaid until 26 regardless of income.

**No discrimination for pre-existing conditions:** You can no longer be denied coverage or charged more for an existing medical condition; also being a woman or being transgender is no longer considered a "pre-existing condition."

**Student health plans:** Most student health plans must now be up to the standard of other private plans.

**Free preventive care:** Get check ups, vaccines, cancer and blood pressure screening at no additional cost. to you.

**Women's health benefits:** Free mammograms, well woman visits, and breastfeeding support, all without a co-pay.

**Free contraception:** Free prescription contraceptives (birth control) on most plans

**Medicaid expansion:** [States](#) that have expanded Medicaid will cover all low-income individuals up to 138% of the federal poverty line (or a single person making up to about \$16,000).

**Tax credits:** Discounts are available for most low to middle income adults that make plans actually affordable **(that means a discount for anyone making up to about \$47,000 for a single person).**

**The penalty:** If you don't have health insurance, you may have to pay a fine when you pay your taxes – don't pay something for nothing, get insured for your health and financial security.

### What do I need to enroll?

- Household size
- Contact information for everyone applying for coverage
- Projected income for 2017
- Social security numbers (or document numbers for legal immigrants)
- Policy numbers for any current health plans

### When Can I Sign Up?

Nov. 1, 2016 - Jan. 31, 2017

### Healthy YI App



- Health checklist
- Schedule a doctor's appointment
- Ask questions to health experts

### Where do we go for more information?

[younginvincibles.org/healthyadulthood](http://younginvincibles.org/healthyadulthood)

[Click here for a full glossary of health insurance terms.](#)

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## Preventive Care

### What Exactly is Preventive Care?

'Preventive Care' is a term that refers to health care services, like tests and screenings, which are performed to check your health status and keep you healthy. Preventive care includes things like cancer screenings, diet and obesity counseling, testing for sexually transmitted infections, and birth control. A full list of what's covered can be found below. Insurance plans now cover the cost of preventive care, meaning you pay \$0.

### Screening tests vs. Diagnostic tests

It is important to know the difference between screening tests and diagnostic tests. Screening tests are recommended for people who don't show symptoms and/or signs of a condition or disease, but may be at an increased risk based on their age, gender or other factors. Screenings can include medical tests and/or questions that your doctor asks you about your health to determine your health risks. Diagnostic tests can be performed at any time, as long as there are symptoms and/or signs that suggest to your provider that a condition or disease may be present and a test is needed to confirm the diagnosis. While preventive screenings are free, a diagnostic test may not be completely covered by your insurance provider.

	Screening Test	Diagnostic Test
<b>Reasons for test</b>	Annual check up (no symptoms) Age (such as mammograms for women over 40) Gender Other Potential Risk Factors	Display of symptoms or signs indicating a certain disease or condition
<b>Intended Outcome</b>	Early Detection General Health Status Check	To establish presence or absence of specific disease
<b>Common Example</b>	HIV Screening Blood Pressure Screening	MRI (Magnetic Resonance Imaging) MRI's are like an x-ray, but a more detailed picture of the inside of the body
<b>Cost to You</b>	Free with health insurance	May be partially covered by health insurance, but you will likely pay something for these services

[Click here for a full glossary of health insurance terms.](#)

## Covered Preventive Services Recommended for Young Adults

### SCREENING TESTS

- [Blood Pressure](#) screening
- [Cholesterol](#) screening for young adults 20 and older with risk factors for heart disease, and all men over 35
- [Type 2 Diabetes](#) screening for adults with high blood pressure
- [HIV](#) screening
- [Syphilis](#) screening for all adults at higher risk

### IMMUNIZATIONS

- Hepatitis A
- Hepatitis B
- HPV (Human Papillomavirus)
- Flu shot (Influenza)
- MMR (Measles, Mumps, Rubella)

### COUNSELING & INTERVENTION

- [Alcohol Misuse](#) screening and counseling
- [Depression](#) screening
- [Diet](#) counseling for adults at higher risk for chronic disease
- [Obesity](#) screening and counseling
- [Tobacco Use](#) screening for all adults & cessation interventions for tobacco users
- [Sexually Transmitted Infection \(STI\)](#) prevention counseling for adults at higher risk

- Meningococcal [Vaccine for meningitis (men-in-jahy-tis)]
- Pneumococcal [Vaccine for pneumonia (nu-mou-ni-a) sinus infections]
- Td/Tdap [Tetanus, Diphtheria, Pertussis (whooping cough)]
- Chickenpox (Varicella)

## Recommended for Pregnant Women

- [Anemia](#) screening on a routine basis for pregnant women
- [Urinary tract infection \(UTI\)](#) screening for pregnant women
- [Breastfeeding](#) comprehensive support and counseling from trained providers, as well as access to breastfeeding supplies, for pregnant and nursing women
- [Folic Acid](#) supplements for women who may become pregnant
- [Gestational diabetes](#) screening for women 24 to 28 weeks pregnant and those at high risk of developing gestational diabetes
- [Gonorrhea](#) screening for all women at higher risk
- [Hepatitis B](#) screening for pregnant women at their first prenatal visit
- [Rh Status](#) screening for all pregnant women and follow-up testing for women at higher risk

## Recommended for Women

- [Breast and Ovarian Cancer Counseling](#) about genetic testing for women at higher risk
- [Breast Cancer Chemoprevention](#) counseling for women at higher risk
- [Cervical Cancer](#) screening for sexually active women
- [Chlamydia Infection](#) screening for younger women and other women at higher risk
- [Contraception](#): FDA-approved contraceptive methods including the birth control pill, IUDs, the ring, and the patch
- [Domestic and interpersonal violence](#) screening and counseling for all women
- [Well-woman visits](#) to obtain recommended preventive services

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## Sexual Health & Preventive Care

Did you know that insurance plans now cover the cost of preventive care, meaning you can access prevention services for free? If you're sexually active or thinking about becoming sexually active, take these steps to keep yourself protected and healthy.

### What is Sexual Health?

The term "sexual health" describes a positive physical, emotional, mental, and social relationship to sexuality. [1] This includes avoiding infections or an unwanted pregnancy, as well as an understanding and respect for others' sexual rights, and an ability to communicate openly with a sexual partner and health care provider.

**Your primary care provider can help you be sexually healthy by answering your questions, and by providing health care services that are covered by your insurance plan – and free to you.**

Sexually transmitted infections are infections that are spread through interpersonal sexual conduct. [2] Common STIs include chlamydia, gonorrhea, HIV, herpes, HPV, and syphilis. It is important to remember that while some STIs cause very obvious symptoms, many STIs cause no symptoms or only mild symptoms. In fact, most people who have an STI have no symptoms. **A test from your health care provider may be the only sure way to tell if you are infected.**

### What are STIs (Sexually Transmitted Infections)?

Sexual and reproductive health issues affect both men and women, and it's important for everyone to be aware of safe practices. Rates of unwanted pregnancies and sexually transmitted infections (STIs) remain higher for young adults compared to older adults. For example, a 2014 survey found:

### Why is Sexual Health Important for Young Adults?

- 15-24 year olds represented **66%** of all reported chlamydia cases [3]
- Women 20-24 had the **highest rate of chlamydia** compared to any other age and sex group [4]
- Males 20-24 have the **highest rates of gonorrhea** compared to other males [5]
- Rates of gonorrhea among black men 20-24 was **10.7 times** higher than among white men the same age [6]

Young adults are more vulnerable to STIs because of for a number of reasons – including biology. For example, women 20-24 may be more likely to catch chlamydia because of something called "cervical ectopy" or how cells develop on the outer surface of the cervix. Although this is normal in young women, these cells cause young women to be more vulnerable to infection. [7]

STIs may seem scary and embarrassing, but they don't have to be - and your primary care provider is here to help. Talk to your provider about when and how often to get tested, and how to talk to your partner about safe sex. Here are some guiding questions that might help you start the conversation with your provider:



## Talk to Your Provider

*I'm sexually active, but not sure what all I need to do to be safe. Can you help with the first steps?*

*I want to talk to my partner about getting tested. What's your advice for starting this conversation?*

*I'm thinking about becoming sexually active, how can I get birth control?*

## Sexual Health-Related Preventive Services

Insurance plans now must cover preventive care at no cost to you; **that means you pay \$0**. Testing and counseling is provided for:

Sexually Transmitted Infection (STI) prevention counseling

HIV screening test

Syphilis screening test

Gonorrhea screening test

Chlamydia Infection screening test

Immunizations:

- Hepatitis A
- Hepatitis B
- HPV (Human Papillomavirus)



**Need help finding a primary care provider?  
Download our app:  
[HealthYI](#)**

## Birth Control

Birth control allows us to prevent pregnancy and plan the timing of pregnancy. Today there are many safe and effective birth control methods available. FDA-approved contraceptive methods prescribed by a woman's doctor, including the contraceptive pill, IUDs, the ring, and the patch, are covered under the ACA at no cost. *Male or female condoms are not covered by insurance plans, and therefore are not free with insurance.*

## Still have questions about preventive care?

Check out [younginvincibles.org](http://younginvincibles.org) and the Center for Disease Control's resources at [www.cdc.gov/sexualhealth/](http://www.cdc.gov/sexualhealth/)

[Click here for a full glossary of health insurance terms.](#)

[1] "Sexual Health," Centers for Disease Control and Prevention (CDC), <http://www.cdc.gov/sexualhealth/>

[2] "Sexually transmitted infections," World Health Organization, [http://www.who.int/topics/sexually\\_transmitted\\_infections/en/](http://www.who.int/topics/sexually_transmitted_infections/en/)

[3] "STDs in Adolescents and Young Adults," CDC, <http://www.cdc.gov/std/stats14/adol.htm>

[4] Ibid.

[5] Ibid.

[6] "STDs in Racial and Ethnic Minorities," CDC, <http://www.cdc.gov/std/stats14/minorities.htm>

[7] "STDs in Adolescents and Young Adults," CDC, <http://www.cdc.gov/std/stats14/adol.htm>

# #healthyadulting

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## Breaking Down the ACA: Understanding the Premium Tax Credit

### Ever heard of the Affordable Care Act (ACA) and wondered what made it so “affordable”?

The Affordable Care Act (ACA) created a new **Premium Tax Credit** that can lower the cost of your monthly health insurance premium (payment) when you buy health insurance on the marketplace. The marketplace will pay your insurance company directly, known as “advance payment” meaning you don’t have to pay the full cost and wait to get reimbursed.

The premium tax credit is designed to help lower the cost of monthly premiums for a wide range of incomes - that means young adults with low to middle incomes may qualify for discounted coverage. The amount of tax credits you are eligible for is determined by the **federal poverty level**, an income measurement used by the government to determine benefits.

How Do I Qualify?

If your annual income is between 100% (138% in [Medicaid Expanded States](#)) and 400% of the Federal Poverty level, you will qualify for a Premium Tax Credit. The tax credit amount is on a sliding scale, so young adults with incomes closer to the federal poverty line will get a bigger tax credit, and those with higher incomes will get a smaller tax credit.

### How do Tax Credits Work in Non-Expanded States?

**Less than 100%**  
\$11,880 (single)  
\$24,300 (family of 4)  
(exempt from penalty)

**100%-400%**  
\$11,880 – 47,080 (single)  
\$24,300 – 97,000 (family of four)

NO COVERAGE

MARKETPLACE TAX CREDITS

If you live in one of the 19 states that has not yet expanded Medicaid, you will qualify for a tax credit discount if you make more than 100% (about \$12,000 for a single person) of the federal poverty level and less than 400% (about \$47,000 for a single person) of the federal poverty level.

### How Does the Tax Credit Work in Expanded States?

**Less than 138%**  
\$16,243 (single)  
\$33,465 (family of 4)

**138% - 400%**  
\$16,243 – 47,080 (single)  
\$33,465 – 97,000 (family of four)

NO COVERAGE

MARKETPLACE TAX CREDITS

If you live in one of the 31 states that have expanded Medicaid, you qualify for a tax credit if you make more than 138% (about \$16,000) of the Federal Poverty Level and less than 400% (about \$47,000). Anyone making less than 138% (\$16,000) of the Federal Poverty Level will qualify for Medicaid.

## Using your Tax Credits

Now let's put this into action. Based on your projected income for the year, what can you expect to pay in monthly premiums?

Examples	Hourly Wage	Yearly Income	Montly Premium	Premium Tax Credit	Monthly Premium After Tax Credit
Joseph 27, single, no children	\$8.00	\$15,360	\$245	\$219	<b>\$26</b>
Maria 27, David 28, & Jackson 5	N/A	\$40,000	\$648	\$436	<b>\$212</b>

\*Rates are based on 2016 US Average of Marketplace silver plans.

\*Silver plans, while having higher premiums than bronze plans, offer additional discounts to reduce your out of pocket cost for your medical care.

\* Examples above are based off a single person working 40 hours per week, living in a state that has NOT expanded Medicaid.

In the above examples, Joseph can get a silver level plan for just \$26 per month. Maria and David can get covered for \$212 a month, after tax credits. Their son Jackson is likely eligible for Medicaid or CHIP, depending on the state they live in.

### What Do I Need to Apply?

When you apply for health insurance on the Federal Marketplace (Healthcare.gov) or a state based marketplace, you will have to provide the following information to calculate how much of tax credit you qualify for:

- Projected Annual Income
- Family Size
- Age
- Access to other health care plans

For more information on the Premium Tax Credit and how it can reduce your health care cost, download our [Healthy Young America Mobile App](#), found on Itunes and the Google Play Store, and access the Health Insurance Marketplace Calculator.

**For information on Medicaid expansion and all other Affordable Care Act questions, visit [www.healthcare.gov](http://www.healthcare.gov).**



#### SOURCES

<https://www.healthcare.gov/lower-costs/save-on-out-of-pocket-costs/>

<https://www.healthcare.gov/lower-costs/>

<https://www.healthcare.gov/glossary/premium-tax-credit/>

<http://kff.org/interactive/subsidy-calculator/#state=&zip=&income-type=dollars&income=30720&employer-coverage=0&people=1&alternate-plan-family=individual&adult-count=1&adults%5B0%5D%5Bage%5D=27&adults%5B0%5D%5Btobacco%5D=0&child-count=0&child-tobacco=0>

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## Breaking Down the ACA: Understanding the Penalty

Did you know you may have to pay a fee on your taxes if you did not maintain health insurance coverage last year?

The “Individual Shared Responsibility Payment”, also known as the “individual mandate” or “penalty”, is a fee for anyone who can afford health insurance, but did not maintain coverage. You will pay the fee for any month you, your spouse, or children do NOT have **qualifying health coverage\*** under the Affordable Care Act. You may pay a penalty when you file your taxes for the previous year if you did not have health insurance for more than 2 consecutive months.

Time Period Without Insurance	Penalty Amount
Uninsured for 2 months or less	No Penalty (Short Gap Exemption)
Uninsured for 3-11 months	Pay pro-rated amount of the full penalty for each month without insurance
Uninsured for 12 months (Entire Year)	Pay the full penalty; The greater amount between \$695 or 2.5% of annual household income.

For a single person, the amount you could pay will be the **greater of** 2.5% of your annual income, or a flat dollar amount of \$695. A family that does not maintain health insurance coverage could pay 2.5% of the total family income or the flat dollar amount of \$695 per adult, plus \$347.50 per child, capped at \$2,085.

How Much is the Penalty?

Flat Dollar Penalty	Percent of Income Penalty
<ul style="list-style-type: none"><li>\$695 per adult + 347.50 per child in a household</li><li>The max penalty a family would pay is capped at \$2,085</li></ul>	<ul style="list-style-type: none"><li>2.5% of yearly income after tax filing threshold</li><li>Maximum that can be paid will be equal to the national average of the total yearly premium of a Bronze Plan</li></ul>

## How much will the penalty cost you?

Meet Stephanie and Jacob. They are both single adults without children who went all of 2016 without having health insurance. Stephanie made \$40,000 in 2016. Jacob made \$18,500 in 2016. Let's see how much they will have to pay for not having health insurance.

Jay	Stephanie
<p>Step 1: <b>Subtract the tax filing threshold (\$10,150 for a single adult) from Jay's income</b>  <math>\\$18,500 - \\$10,150 = \\$8,350</math></p>	<p>Step 1: <b>Subtract Stephanie's income by tax filing threshold</b>  <math>\\$40,000 - \\$10,150 = \\$29,850</math></p>
<p>Step 2: <b>Multiply the remaining amount of Jay's income by the penalty percent amount.</b>  <math>\\$8,350 \times 2.5\% (.025) = \\$208.75</math></p>	<p>Step 2: <b>Multiply the remaining amount of Stephanie's income by the penalty percent amount.</b>  <math>\\$29,850 \times (.025) = \\$746.25</math></p>
<p>Step 3: <b>Compare Penalty as percent of income to flat dollar penalty. You will be charged the greater of the two amounts.</b>  <math>\\$695</math> is greater than <math>\\$208.75</math></p>	<p>Step 3: <b>Compare Penalty as percent of income to flat dollar penalty. You will be charged the large of the two amounts.</b>  <math>\\$695</math> is less than <math>\\$746.25</math></p>
<p>Jay pays \$695 for not having health insurance for all of 2016.</p>	<p>Stephanie pays \$746.25 for not having health insurance for all of 2016.</p>



The best way to avoid the penalty is to maintain health insurance coverage for yourself and your family. But, if you cannot maintain health coverage, you may qualify for an exemption. **Exemptions** will waive the fee for not having health insurance. You may claim an exemption if you experience economic hardship, like being evicted or having a death in the family. You may also claim an exemption if you are a member of a federally recognized tribe, a health care sharing ministry, are incarcerated, or are a US citizen living abroad.

For a full list of exemptions visit: <https://www.healthcare.gov/health-coverage-exemptions/forms-how-to-apply/>

As you can see. Not having health insurance will cost you. So rather than pay something for nothing, get covered today. Download our Healthy Young America Mobile App, found on Itunes and the Google Play Store, to see what plans are available to you.

For information on avoiding the "penalty" and all other Affordable Care Act questions, visit [www.healthcare.gov](http://www.healthcare.gov).



[Click here for a full glossary of health insurance terms.](#)

#### SOURCES

<https://www.healthcare.gov/glossary/penalty/>

<https://www.healthcare.gov/fees/>

<https://www.healthcare.gov/exemptions-tool/#/results/2015/details/short-gap>