

# Health Insurance 101

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## The basics of buying health insurance for you or your family

### Buying Health Insurance

The Montana Marketplace, also known as [healthcare.gov](http://healthcare.gov), is an online insurance store where policies offered by different companies can be compared side-by-side. You apply for and buy insurance directly through the website and you only need to complete a single application. Specific details like what the plans cover and how much they cost are available at [www.healthcare.gov](http://www.healthcare.gov).

Three private companies sell health plans in the Montana Marketplace: Blue Cross Blue Shield, PacificSource, and the Montana Health CO-OP. All insurance sold provides comprehensive coverage, including doctor's visits, emergency services, maternity care, and prescription drugs. All plans must also satisfy all the Montana requirements for health insurance. Anyone can buy insurance through the Marketplace; however, only those Montanans who have no other option for affordable, comprehensive coverage will be eligible for tax subsidies. If you have an offer of coverage through your employer and you choose to waive that coverage and buy through [healthcare.gov](http://healthcare.gov) instead, your employer will not contribute anything toward the cost of your insurance.

### Lower Monthly Costs

Nearly 85 percent of Montanans who purchase insurance from [healthcare.gov](http://healthcare.gov) are eligible for advanceable premium federal tax credits to lower their monthly premiums. Some Montanans, depending on their income, will also be eligible for cost-sharing discounts, or "extra savings", to reduce what they pay out-of-pocket for co-pays, coinsurance, and deductibles. These programs are available only to those who purchase health insurance in the Marketplace, with some exceptions. If your employer offers a health plan that meets the federal benchmarks for minimum value and affordability and you decide to waive that coverage, **you will not receive tax credits or cost-sharing discounts for plans purchased on the Marketplace, regardless of your income.**

### Levels of Coverage

All health insurance plans sold in the Marketplace will be rated based on something called "actuarial value." Under federal law, a plan's actuarial value looks at the share of medical spending paid by your insurance company compared with the amount paid by you. Plans with higher actuarial value will cost more every month in premium, but they will cost you less at the doctor's office when you pay your co-pay and you will pay a smaller portion of your total health care bill.

- **Platinum:** insurer pays 90%, you pay 10%
- **Gold:** insurer pays 80%, you pay 20%
- **Silver:** insurer pays 70%, you pay 30%
- **Bronze:** insurer pays 60%, you pay 40%

All plans are subject to the maximum out-of-pocket amount, which is \$7,150/individual; \$14,300/family in 2016.

The "metal tiers" are designed to help Montanans compare similar insurance plans. However, they don't necessarily mean that all the plans in the same category are the same. The plans may cover different things. All insurance plans sold must include a Summary of Benefits and Coverage (SBC). The SBC includes details about what is and what is not covered under a plan. SBCs for plans sold through [healthcare.gov](http://healthcare.gov) will be available on the website. If you intend to buy insurance outside of [healthcare.gov](http://healthcare.gov) from a registered insurance agent or broker, those individuals will also have SBCs for all the products they sell.

Some Montanans will also be able to buy "catastrophic" plans, which provide less coverage than a bronze plan. To be eligible for a catastrophic plan, you must be under age 30, or qualify for an exemption from the individual mandate because you can't find affordable coverage (after tax credits have been applied) or because of a hardship (there are many hardship exemptions, for example: bankruptcy or substantial medical debt). You can learn more about these exemptions and whether you qualify for catastrophic health insurance at [healthcare.gov](http://healthcare.gov).

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## Essential Health Benefits

Health insurance must cover a basic range of services, reducing the likelihood that customers will fall into unexpected gaps in coverage. All individual insurance plans must cover services in the following ten categories, known as essential health benefits:

- Hospital visits and surgery;
- Doctor's office visits;
- Prescription drugs;
- Maternity and newborn services;
- Mental health and chemical dependency services;
- Lab work and imaging;
- Rehabilitation services and services intended for skill acquisition, like speech therapy for a child who is currently non-verbal;
- Dental and vision care for children;
- Preventive care and management of chronic diseases, like diabetes;
- Emergency services.

In addition, all individual plans include maximum out-of-pocket caps. That means there is a maximum amount your insurance company can make you pay, even if your health care costs are very high. For individuals, the cap is set at \$7,150. For families, it is set at \$14,300.

*Revised 10/2016*

## Contact Montana State Auditor

Web: [www.csimt.gov](http://www.csimt.gov)

Email: [Policy.CSI@mt.gov](mailto:Policy.CSI@mt.gov)

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## Enrollment Period

Because insurers can no longer deny coverage based on a person's health status, the Affordable Care Act eliminated the possibility that people will buy insurance only after they are injured or discover some other medical need. The law creates certain "open enrollment" periods — set months during the year when people can buy insurance. Most insurance plans already contained "open enrollment" periods, but the Affordable Care Act made them the same for all plans — both on and off of [healthcare.gov](http://healthcare.gov). However, members of Montana's federally-recognized tribes will be able to purchase health insurance during monthly enrollment periods.

Open enrollment for 2017 individual plans is November 1, 2015– January 31, 2016. For coverage that begins on January 1, 2016, you must purchase on or before December 15, 2015.

After the close of the open enrollment period, Montanans will not be able to buy insurance unless they have a "life event," which starts a special enrollment period. Life events include, but are not limited to:

- Losing a job or getting a new job;
- Marriage or divorce;
- Birth or adoption; and
- Death of a spouse or dependent.

## The Individual Mandate

If you do not obtain health insurance, you may be subject to a penalty on your income taxes, unless you qualify for an exemption.

If you already have health coverage through any of the following sources, you have met the requirement of the individual mandate and you will not pay a penalty: Medicare, Medicaid or Healthy Montana Kids/Children's Health Insurance Program, TRICARE, certain types of Veterans Affairs health coverage, an insurance plan offered by your employer or that you bought on your own that offers "minimum essential coverage."

