

# Guide to Purchasing Health Insurance

Purchasing health insurance can be a very stressful process. This buyer's guide should help you understand the basics of health insurance and help you figure out things you may need to look for in a health insurance plan that you may not have known about yourself. Here are a few questions we will answer in this guide:

- What are my health insurance options?
- How do I determine if I am eligible for a state run health plan/tax credit through MNsure?
- If I am eligible for a state program/tax credit how do I claim it?
- If I am not eligible for any state programs/tax credits do I have to go through MNsure?
- How do I make sure all my doctors/clinics/hospitals are in my network?
- How do I make sure all of my prescription drugs are covered under a specific company's formulary?
- If I have a pre-existing health condition can I still get health insurance?
- What do I do if I still need help?
- If I am over 65 what health insurance options do I have?

## What are my health insurance options?

There are many different types of health insurance. Each has pros and cons. The plan that's right for a single person may not be best for a family with small children. A plan that works for one family may not be right for another. Choosing a health insurance plan is like making any other major purchase. You choose the plan that meets both your needs and your budget. Cost is only one of the things to consider when buying insurance. You also need to consider what benefits are covered. It is important to carefully compare both cost and coverage before purchasing [individual and family health insurance](#).

With the introduction of the Affordable Care Act all individuals now have access to (and are required to have) health insurance. If you do not get health insurance you will be subject to a tax penalty for every month you are uninsured. People can no longer be turned down based on any pre-existing conditions and if you fall under certain income guidelines you and your family may qualify for a state run

health insurance program, either Medical Assistance (MA) or MinnesotaCare (MNCare), or you may qualify for a tax credit to help you pay for your monthly premiums. The Affordable Care Act says that all plans need to be deemed "affordable", meaning you should not pay more than 9.5% of your annual income in health insurance premiums. This can get confusing when it comes to family plans through employers so if you have any questions about this please contact a Minnesota Health Insurance Network agent at 952-224-0123.

If you are a small business owner with at least 1 other full time employee you may be eligible for a [small business health insurance plan](#). This option may be cheaper for you and your employee(s) and offer tax advantages too. If you are a small business owner and would like help determining if a small group plan may be better for you please [contact a group health insurance broker](#) at 952-224-0123.

One of the first things you are going to want to do when looking at purchasing a health insurance plan is to see if you are even eligible to purchase one right now! Another thing that was introduced with the affordable care act was open enrollment periods every year. These open enrollment periods are the time of year that anyone that wants to can make changes to/enroll in new health insurance plans. This open enrollment generally runs from November 1st until January 31st.

If you need to purchase a plan outside of open enrollment then you will need to have a qualifying life event (QLE) to purchase a health insurance plan. QLE's are things like:

- Having a baby/Adoption
- Getting married
- Permanent move
- Divorce
- Dependent age limit (26)
- INVOLUTARY loss of employer sponsored coverage
- Loss of MA/MNCare

If you have a QLE then you have up to 60 days from the day of your QLE to purchase a new health insurance plan. This time period is called a Special Enrollment Period (SEP). If you miss this 60 day SEP then you are locked out until the next open enrollment year.

# I missed my open enrollment/special enrollment period, what are my options?

If you missed the annual open enrollment period or did not apply for a plan within your 60 day SEP then your options are limited. You will not be able to purchase an individual plan until the following open enrollment period, so if you need to have some coverage between now and that date you can do one of the following:

**Join a group plan** - If you get a job that offers health benefits you will have an opportunity after any elimination period to join that company health plan.

**Get short term health insurance** - You can still get short term medical (STM) insurance coverage however there are restrictions. First STM plans do not meet the "minimum essential health benefits" that the affordable care act requires all plans to carry. Because they do not meet these guidelines, even if you DO get a STM plan you will still be subject to paying a tax penalty at the end of every year. STM plans also do not cover ANY pre-existing conditions. This includes anything you have every had SYMPTOMS for. You are also only allowed to carry STM plans for 365 days in a 555 day period.

**Go uninsured** - If you do not have the option of joining a group plan and you don't want to STM insurance then your last option is to go uninsured. If you do this option you will be subject to a tax penalty for every month you are uninsured and you will be responsible for 100% of your medical costs if you get hurt/sick/

## How do I determine if I am eligible for a state run health plan/tax credit through MNsure?

First lets discuss people who have access to employer sponsored coverage but either do not want that coverage or feel it is too expensive. If you are offered

employer sponsored coverage (and it is deemed affordable), then you CANNOT qualify for MNCare or any tax credits through mnsure. You can always purchase an individual/family plan without any tax credits, you are not required to take your employer's plan but if you do decide to go this route you need to know a few things:

- Employers generally pay 50-75% of the employee's premium
- Health insurance premiums can be applied pre-tax through a group plan

The easiest thing you can do is contact a health insurance broker who will be able to assist you with the entire process. You can contact a broker by calling the Minnesota Health Insurance Network at 952-224-0123.

If you want to check for yourself you can use an online subsidy calculator that will help you determine if you may be eligible for any public programs/tax credits. The subsidy calculator I would recommend is created by the Kaiser Family Foundation and can be located here: <http://kff.org/interactive/subsidy-calculator/>

NOTE: This calculator is only a guide, but will give you a fairly accurate idea of what you and your family may qualify for. If you need help understanding how the calculator works you can always contact a Minnesota health insurance agent at 952-224-0123.

## **If I am eligible for a state program/tax credit how do I claim it?**

The only way to get enrolled in a state program or to claim a tax credit is to create an online account at [www.mnsure.org](http://www.mnsure.org). Once you create an account you will need to complete an online application, and you will need this information to complete the application:

- Names, DOB, SSN for all family members.
- Gross Annual Income for each family member.
- Any company health plans you or any family members are eligible for.

If you use the online subsidy calculator and determine you are eligible for a tax credit and you want help making sure it gets applied to your plan correctly you

should contact a Minnesota Health Insurance Network agent at 952-224-0123 who will be able to assist you.

## **If I am not eligible for any state programs/tax credits do I have to go through MNsure?**

No, you absolutely do not need to go through mnsure if you do not qualify for any state programs/tax credits. In fact you may find better options with larger networks if you decide to go directly through one of the health insurance company themselves.

If you would like assistance in determining if you may qualify for any state health plans or tax credits, or if you need help selecting a plan, please [contact a Minnesota Health Insurance Network licensed agent](#) at 952-224-0123.

## **How do I make sure all my doctors/clinics/hospitals are in my network?**

Every plan you purchase in the individual marketplace, either through mnsure or directly through a carrier, will have a specific network of doctors/clinics/hospitals you need to stay in to receive the highest benefits. Each will have some out of network coverage but you are much better off verifying all of your doctors are in the network before you purchase the plan.

If you need help finding a plan that covers your doctors please [contact a Minnesota Health Insurance Agent](#) at 952-224-0123

# **How do I make sure all of my prescription drugs are covered under a specific company's formulary?**

Every plan you purchase will have a formulary of covered prescription drugs you need to check before you purchase a plan. Things you may need to verify with each of the companies:

- Any quantity limits on your prescriptions
- If you need prior authorization from your doctor
- How is it covered (generic? preferred generic? brand?)
- Based on how it is covered, what is going to be your out of pocket expense?

If you are on a lot of medications or expensive medications you may want to contact a broker to help you determine the best plan for you. You can contact a Minnesota Licensed Insurance Agent at 952-224-0123.

# **If I have a pre-existing health condition can I still get health insurance?**

Yes, under the affordable care act you cannot be denied health insurance coverage based only on whether you have any pre-existing conditions. You will still need to enroll in a plan during the open enrollment period (or any special enrollment periods you may have throughout the year).

NOTE: Short term medical plans can still deny you based on pre-existing conditions.

# **What do I do if I still need help?**

If you still need help selecting the right insurance plan, determining whether you might be eligible for any state programs/tax credits, or if you need help making

sure your doctors and medications are in your network you can always call and speak with a licensed Minnesota insurance agent at 952-224-0123.

## **If I am over 65 what health insurance options do I have?**

If you are over 65 you will generally be entitled to Medicare. If you need help selecting a Medicare supplement, Medigap, or Medicare cost plan please [contact a licensed Minnesota Medicare agent](#) at 952-224-0123.