



**UNIVERSITY  
HEALTH SERVICES**  
Tang Center  
*People. Campus. Community.*

# Health Insurance 101

## Individual Health Insurance in California

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## Introductory Information

- What is a Dependent?
  - Spouse or Domestic Partner
  - Child: Dependent children must be under age 19, or under age 23 if full-time students, and not married or in a domestic partnership
- Does UC Berkeley have a dependent health insurance plan?
  - **No.** The Student Health Insurance Plan (SHIP) is for registered UC Berkeley students only
  - Individual and government-subsidized plans offer coverage at more affordable rates than UC Berkeley would be able to provide based on the group's size
  - We provide many resources to assist students with obtaining health insurance for their dependents, such as this workshop, personal consultation and referral, website and handouts

## Health Care vs. Health Insurance

### Health Care is...

#### Provision of Medical Services — *by*

- Private Physicians and Hospitals  
(private pay or insurance)
- Community Clinics  
(sliding scale ability to pay or free medical care)
- Public Hospitals & Clinics  
(free medical care or sliding scale ability to pay)

### Health Insurance is...

#### Promise to Pay — *for*

- ✓ Coverage of Specific Medical Services
- Assumption of Risk
- Commodity
  - “What the market will bear”

## Insurance for Individuals and Families

### • Options

1. Private Health Insurance for Individuals and Families
  - HMO and PPO Plans
  - Short-Term Health Plans
  - Tax-Based Incentives
2. Prior Group Health Insurance
  - COBRA/HIPAA/Conversion Plans
3. Major Risk Medical Insurance Program
4. Public and Non-Profit Programs & Plans for Low-Income Families, Children and Pregnant Women
  - Medi-Cal
  - Other Public & Non-Profit Programs & Plans

## Key Health Insurance Terms

- **HMO** (Health Maintenance Organization):  
A plan in which you choose a primary care physician (PCP) who coordinates your care with providers in the plan network
- **PPO** (Preferred Provider Organization):  
A plan in which you have direct access to providers in the plan network, as well as other providers at higher cost
- **Preferred, Participating or Network Providers:** Providers (individuals and facilities) that accept a negotiated or contracted rate as full payment for services
- **Covered Expenses (“UCR”):** Expenses are tied to insurer’s fee reimbursement schedule that is based on “usual, customary and reasonable charges” (non-network)
- **Underwriting:** Review of medical history to assess the **RISK** of accepting an applicant for coverage or a policy

## Key Health Insurance Terms

- **Policy / Period:** Contract for insurance benefits or covered services (“promise to pay”) for set time period, e.g., yearly
- **Premium:** Fee you pay to be enrolled in an insurance plan, usually monthly
- **Deductible:** Amount you must pay for services out-of-pocket first, before the insurer will pay for those services
- **Co-insurance:** Percentage of the cost you pay for covered services
- **Co-payment:** Set dollar amount you pay for covered services
- **Out-of-Pocket Maximum:** Limit to dollar amount you have to pay out of your own pocket for covered health care services during set time period, e.g., yearly
- **Lifetime Maximum:** Limit to amount of total claims payments an insurer will make for you the entire time you are covered by the plan
  - Any amounts above the “lifetime maximum” are your responsibility

## SHIP Is a Good Example of a PPO Plan\*

- **2009-10 Premium** (per semester): \$698 for undergraduate students, \$966 for graduate and international students
- **Coinsurance:** Generally, 20% for outpatient services from a network provider; 40% for services from a non-network provider
- **Deductible:** \$200 per plan year (August 15 to August 14)
- **Out-of-Pocket Maximum** = \$3,000 per plan year
- **Lifetime Maximum** = \$400,000 lifetime
- **Dollar limits on selected services per plan year:** prescription drugs = \$5,000 maximum; physical therapy = \$1,500 maximum
- **Copayments:** \$15 (generic) or \$25 (brand name) copays for prescription drugs obtained at Tang

\*NOT A COMPLETE LIST

## Private Individual Health Insurance — HMO and PPO Plans

- **California Insurers:** Anthem Blue Cross, Blue Shield, Kaiser Permanente, Health Net, PacifiCare, Aetna
  - **Health Questionnaire:** must qualify for individual insurance
  - **Rate Determination:** Insurance companies rate individuals by age, gender, residence (zip code) and **health status**
  - **Cost choices:**
    1. High deductible = lower premium
    2. Full benefit plan vs. limited benefit plan
      - ✓ Most limited benefit plans exclude maternity benefits and provide generic-only prescription drug coverage
    3. Out-of-pocket maximum can also be an important cost factor

## California Short-Term Health (STH) Plans

- Coverage is available for 30 to 185 days
  - Also known as “gap” insurance
  - Can be extended with limitations — **not** extendable if any claims in policy period
  - Ineligible if you have a pre-existing condition
- Must be a resident of California
- Premiums can be lower than standard individual plans
- Short health questionnaire—“streamlined” underwriting
- Anthem Blue Cross and Health Net offer STH plans

**Caution:** *If you develop a health condition while on a STH plan, you may be ineligible later for a standard individual plan*

## Private Health Insurance —Tax-Based Incentives\*

- HSA Health Savings Account (HSA) for High-Deductible Plans (\$1,500 minimum)  
For individuals and families; medical expenses are reimbursed tax-free
- MSA Medical Savings Account (MSA)  
For self-employed individuals; medical expenses are reimbursed tax-free
- Section 125 Plan (also known as Flexible Spending Account)  
Employer-based pre-tax deduction plan for employed individuals to use for premiums and other unreimbursed medical expenses
- Health Reimbursement Account (HRA)  
Employer-funded account for employee; medical expenses reimbursed tax-free

\* see **IRS Publication 969**

## Prior Group Health Insurance Options — COBRA, Cal-COBRA and Beyond

- A person who loses employer-based health insurance eligibility (leaves employer) may be eligible for COBRA
  - Extends *group* plan benefits up to 36 months (in certain situations)
  - Premium set at 102% of employee's current premium
  - Cal-COBRA is California's extension of federal COBRA
- Other options include two types of *individual* insurance plans:
  1. Conversion Plan (state law governs):
    - Can enroll when you lose employer coverage
  2. Guaranteed Issue or HIPAA Plan (federal law governs):
    - Available *after* you have exhausted COBRA/Cal-COBRA benefits
    - Must not be eligible for group coverage, MRMIP, Medi-Cal *or* Healthy Families
- ✓ Cannot be denied coverage due to medical history
- ✓ **Rates** are substantially higher than standard individual insurance plan rates

## Major Risk Medical Insurance Program — “MRMIP”

- State government program administered by the Managed Risk Medical Insurance Board (MRMIB)
  - Comprehensive medical benefits for inpatient/outpatient physician & hospital services with an annual \$500 deductible
    - Medical benefits limited to \$75,000 per calendar year and \$750,000 in a lifetime
  - Must be unable to secure adequate coverage in last 12 months — usually, because you were denied individual coverage by an insurer
  - Cannot be eligible for Medicare, COBRA or Cal-COBRA
  - Must be a resident of California
  - Participating MRMIP health plans: Anthem Blue Cross, Blue Shield, Kaiser, and Contra Costa Health Plan

**NOTE:** *MRMIP currently has a one to three month waiting list for enrollment*

## Options for International Dependents with F or J Visa Status

- International travel health insurance plans
  - J Visa requires health insurance (*such as a "travel plan"*) for duration of stay in U.S.
  - Plans cover accidents and illnesses only
    - May have other limitations, e.g., no mental health or maternity coverage
- Individual private health insurance
  - HMO or PPO plans
    - Must establish three- to six-month California residency

## Options for Low-Income Families

- Medi-Cal Managed Care Programs
- High-deductible private health insurance for individuals and families

## Medi-Cal Public Health Care Programs

- In Alameda, San Francisco and Contra Costa counties, most Medi-Cal beneficiaries must enroll in a managed care (HMO) plan (two-plan model)
  - The California Department of Health Care Services contracts with established health care plans for health care services
  - In Alameda County, Alameda Alliance for Health is the community provider plan and Anthem Blue Cross is the private plan

NOTE: For all Medi-Cal programs, certain financial eligibility criteria apply, and the individual or family may or may not have a share of cost requirement. Eligibility and enrollment services are provided by the County Social Services Agency.

## Medi-Cal Public Health Care Programs

- Medi-Cal for Families
  - Families eligible under the former AFDC program continue to be eligible through the CalWORKS program
- Aid-related Programs
  - Individuals who receive cash aid through certain federal government programs are automatically entitled to Medi-Cal
    - These federally funded cash programs include CalWORKS and Supplemental Security Income (SSI)
- Presumptive Eligibility Program
  - “Emergency” Medi-Cal that covers services in the initial month of service and one month thereafter
    - For coverage beyond the two-month period, must apply for Medi-Cal or Healthy Families to continue receiving benefits

## Options for Children

- Medi-Cal Managed Care Programs
- Individual state-sponsored insurance program  
— MRMIP
- Individual private health insurance
  - HMO or PPO plans
- Healthy Families Program
- Kaiser Permanente's Child Health Plan

## Healthy Families

- Public program for children in low-income families that do not qualify for no-cost Medi-Cal
  - Federally funded program (SCHIP) administered by the state
  - Comprehensive low-cost health, dental and vision services for children from birth to age 19
  - Family income up to 250% of Federal Poverty Level (FPL)
  - Must be California resident *and* a U.S. citizen, non-citizen U.S. national, or eligible qualified immigrant
  - Must not qualify for free Medi-Cal or have employer-based private health insurance within the last 90 days
- Choice of health insurers in Alameda County:  
Alameda Alliance for Health, Blue Shield, Health Net and Kaiser Permanente (all are HMO plans)

***NOTE: Program currently has a waiting list for enrollment***

## Income Guidelines Healthy Families Program and Medi-Cal for Families

Monthly Income Guideline Chart  
Effective April 1, 2009 through March 31, 2010

Family Size	Child Age 0 to 1 or Pregnant Woman Medi-Cal	Child Age 0 to 1 Healthy Families	Child Age 1 thru 5 Medi-Cal	Child Age 1 thru 5 Healthy Families	Child Age 6 thru 18 Medi-Cal	Child Age 6 thru 18 Healthy Families
1	\$0 - \$1,805	\$1,806 - \$ 2,257	\$0 - \$1,201	\$1,202 - \$2,257	\$0 - \$903	\$904 - \$2,257
2	\$0 - \$2,429	\$2,430 - \$3,036	\$0 - \$1,615	\$1,616 - \$3,036	\$0 - \$1,215	\$1,216 - \$3,036
3	\$0 - \$3,052	\$3,053 - \$3,815	\$0 - \$2,030	\$2,031 - \$3,815	\$0 - \$1,526	\$1,527 - \$3,815
4	\$0 - \$3,675	\$3,676 - \$4,594	\$0 - \$2,444	\$2,445 - \$4,594	\$0 - \$1,838	\$1,839 - \$4,594
5	\$0 - \$4,299	\$4,300 - \$5,373	\$0 - \$2,859	\$2,860 - \$5,373	\$0 - \$2,150	\$2,151 - \$5,373
6	\$0 - \$4,922	\$4,923 - \$6,153	\$0 - \$3,273	\$3,274 - \$6,153	\$0 - \$2,461	\$2,462 - \$6,153
7	\$0 - \$5,545	\$5,546 - \$6,932	\$0 - \$3,688	\$3,689 - \$6,932	\$0 - \$2,773	\$2,774 - \$6,932
8	\$0 - \$6,169	\$6,170 - \$7,711	\$0 - \$4,102	\$4,103 - \$7,711	\$0 - \$3,085	\$3,086 - \$7,711
9	\$0 - \$6,792	\$6,793 - \$8,490	\$0 - \$4,517	\$4,518 - \$8,490	\$0 - \$3,396	\$3,397 - \$8,490
10	\$0 - \$7,415	\$7,416 - \$9,269	\$0 - \$4,931	\$4,932 - \$9,269	\$0 - \$3,708	\$3,709 - \$9,269

## Kaiser Permanente's Child Health Plan for Low-Income Children

- "Kaiser Cares for Kids" Child Health Plan
  - Plan is for children under 19 whose families meet income requirements (between 250% and 300% of FPL) and who are not eligible for government-sponsored programs or employer-based insurance
  - Premiums are \$8 or \$15 per child per month (depending on family size and income) for up to three children  
Additional children are covered at no extra premium
  - Plan covers all children, regardless of immigration status
  - Copayments are low, and benefits include comprehensive medical and dental coverage and limited vision benefit

## Options for Pregnant Women

- Individual state-sponsored insurance program — MRMIP
- Individual HMO or PPO private health insurance plans
  - Cannot qualify for an individual plan if you are already pregnant
- Medi-Cal Pregnancy-related Programs
- Access for Infants and Mothers (AIM)

## Medi-Cal Pregnancy-related Programs

- Services are provided to women—regardless of immigration status—to encourage early and appropriate utilization of prenatal care services
  - Pregnancy-related care means services that are required to assure the health of the pregnant woman or the unborn child
  - Pregnancy-related services include prenatal, delivery and post-partum services up to 60 days postpartum
  - Newborns are automatically enrolled in Medi-Cal or Healthy Families after birth (subject to income eligibility, and new Healthy Families program enrollment restrictions)

NOTE: For all Medi-Cal programs, certain financial eligibility criteria apply, and the individual or family may or may not have a share of cost requirement. Eligibility and enrollment services are provided by the County Social Services Agency.

## Access for Infants and Mothers Program (AIM)

- This program covers low-income pregnant women who do not qualify for Medi-Cal
  - State-funded and administered program
  - Comprehensive health services for pregnant women and their newborn infants including prenatal visits, hospital delivery, and postpartum care for 60 days
  - Family income between 200% and 300% of FPL
  - Must be a California resident *and* no more than 30 weeks pregnant
  - Cannot be enrolled in or eligible for a no-cost Medi-Cal plan, Medicare, or in a private insurance plan with maternity-related deductible or copays that cost less than \$500
  - Health Net HMO is the sole health insurer in Alameda County (as of February 1, 2009)

## Options for Low-Income Individuals

- County Public Health Care Programs (NOT Medi-Cal)
  - Under California law (CA Welfare & Institutions Code §17000), counties are the “providers of last resort” for health services to low income uninsured individuals with no other source of care
- Alameda County CMSP
- Contra Costa Health Services Basic Health Care
  - Temporary health coverage programs for county residents
- Healthy San Francisco <http://www.healthysanfrancisco.org/>
  - *Healthy San Francisco* is a program created by the City of San Francisco that makes health care services accessible and affordable for uninsured residents, including employed persons

## Alameda County CMSP\*

- Alameda County Medically Indigent Services Program (CMSP) serves uninsured residents of Alameda County. All medical care covered by this program must be received at Alameda County Medical Center (ACMC) hospitals, ACMC primary care clinics, or through a provider network of 10 community-based clinics in Alameda County.

### Who Is Eligible

- Residents of Alameda County who:
  - have incomes no greater than 200% of FPL
  - have assets and real property with values within guidelines of the program
- No age limit: Children and elderly may be served while waiting for acceptance into other programs
- Medical Need is not required
- Duration of coverage is 12 months

### Cost

- Persons with income between 100% and 200% of FPL have a copay

\*Information is based on November 2006 CHCF Study

## Contra Costa Health Services Basic Health Care Program

- Basic Health Care is a temporary health coverage program for low-income, uninsured residents of Contra Costa County. All medical care covered by this program must be received at Contra Costa Regional Medical Center or at a County Health Center located throughout the county.

### Who Is Eligible

- Residents of Contra Costa County who:
  - have incomes no greater than 300% of FPL
  - have assets and real property that meet program guidelines
  - are not eligible for Medicare, Medi-Cal or Healthy Families
  - are not members of HMO or PPO health insurance plans
- Proof of citizenship or legal residency is not required

### Cost

- for adults, \$0-\$225 every three months

### Program Term

- must re-apply for program every six months

## Healthy San Francisco

- Program for uninsured low-income San Francisco residents between the ages of 18 and 64 — regardless of immigration status, employment status, or pre-existing medical conditions
  - Comprehensive medical services are provided at county-operated hospitals and clinics, community clinics in the San Francisco Clinic Consortium, & Kaiser
  - Income level must be at or below 500% of FPL
  - Participant fees and point of service fees are based on income level
  - Cannot be eligible for public insurance programs such as Medi-Cal or Access for Infants and Mothers (AIM)
- *Healthy San Francisco is not insurance*

## Insurance for Individuals and Families How to Choose the Right Plan?

- Questions to Ask:
  - Who needs coverage?
    - You, your spouse, domestic partner, children?
  - Do you have any pre-existing health conditions?
  - What is your income level?
  - What are your health care needs or plans?
    - e.g., do you have children, or are you having a baby?
  - What is your residency status?
    - Have you lived in California at least six months?
  - What is your citizenship status?
    - Are you a US citizen?
    - Do you have F or J visa status?

## Be an Informed Consumer!

- Health Care IS a commodity today  
Therefore, be an informed consumer:
  1. Compare plans and prices
    - Licensed insurance agent or broker
    - Insurance company sales person
    - Internet broker (e.g., [www.eHealthInsurance.com](http://www.eHealthInsurance.com))
  2. Get multiple quotes before applying
  3. Know what you are purchasing
    - MONEY
      - premium, deductible, coinsurance, copayments, out-of-pocket maximum, lifetime maximum
    - SERVICES
      - what's covered and what's not
      - how are services reimbursed (what's your responsibility?)
    - EXCLUSIONS —
      - e.g., maternity, prescription drugs
    - LIMITATIONS —
      - e.g., inpatient and outpatient mental health services

## Insurance for Dependents — How to Get Started

- Know your medical history
  - Do you qualify for individual health insurance?
  - If you are declined coverage, what are your other insurance options?
    - Major Risk Medical Insurance Program (MRMIP)
    - If you are low-income, you may qualify for a county medically indigent program (not insurance)
    - If you are pregnant and low-income, you may qualify for Medi-Cal or Access for Infants and Mothers (AIM)
    - If you have an F-2 or J-2 visa, you may qualify for a "travel" plan such as Gateway USA

## Health Insurance — How to Apply Private Insurers

- Anthem Blue Cross of California — Private health plans & Medi-Cal, MRMIP: [www.anthem.com/ca](http://www.anthem.com/ca) or (800) 777-6000
- Blue Shield of California — Private health plans & MRMIP: [www.blueshieldca.com](http://www.blueshieldca.com) or call (800) 660-3007
- Health Net — Private health plans, Healthy Families, & AIM: [www.healthnet.com](http://www.healthnet.com) or call (800) 909-3447 (commercial plans) or (800) 327-0502 (government programs)
- Kaiser Foundation Health Plan — Private health plans & MRMIP: [www.kaiserpermanente.org/individuals](http://www.kaiserpermanente.org/individuals) or call (800) 232-5100

## Health Insurance — How to Apply County Public Agencies

- Alameda County Social Services Agency — Medi-Cal & County Medically Indigent Services Program (CMSP): [www.alamedasocialservices.org/public/services/medical\\_care/](http://www.alamedasocialservices.org/public/services/medical_care/) or call (510) 777-2300 or toll free (800) 698-1118; North County Office (510) 891-0700
- Contra Costa Health Plan — Medi-Cal, Contra Costa Basic Health Care (MISP), MRMIP, & private health plans: [http://www.cchealth.org/health\\_plan/](http://www.cchealth.org/health_plan/) or call (877) 661-6230
- San Francisco Health Plan — Medi-Cal: <http://www.sfhp.org/> or call (415) 547-7818

## Health Insurance — How to Apply Other Public Agencies

- City of Berkeley Public Health Dept. — Medi-Cal, AIM, & CMSP enrollment assistance:  
<http://www.ci.berkeley.ca.us/publichealth/publichealthclinic/phc.html> or call (510) 981-5350 or El Centro (510) 981-5370
- San Francisco Public Health Dept. — *Healthy San Francisco* Program:  
<http://www.healthysanfrancisco.org/> or call (415) 615-4500
- Managed Risk Medical Insurance Board — MRMIP:  
<http://www.mrmib.ca.gov/mrmib/MRMIP.shtml> or call (800) 289-6574

## Health Care & Insurance Resources

- Saylor & Hill — Licensed insurance broker for Anthem Blue Cross, Blue Shield, Health Net and Kaiser, and Gateway Plans  
[www.saylorhill.com/individual\\_health](http://www.saylorhill.com/individual_health) or call 510-273-8888
- eHealthInsurance — Licensed online insurance broker  
[www.ehealthinsurance.com](http://www.ehealthinsurance.com)
- Kathy Gage, Student Health Insurance Office (SHIO), 3200 Tang Center [ship@uhs.berkeley.edu](mailto:ship@uhs.berkeley.edu) or call 510-642-5700
- University Health Services (UHS), UC Berkeley [www.uhs.berkeley.edu](http://www.uhs.berkeley.edu)
- Alameda Health Consortium — Network of eight clinics in Alameda County <http://www.alamedahealthconsortium.org/> or call 510-769-2230
  - Member health centers: Asian Health Services, La Clinica de La Raza, LifeLong Medical Care, Native American Health Center, West Oakland Health Center, Axis Community Health, Tiburcio Vasquez Health Center and Tri-City Health Center

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- Kaiser Family Foundation — research and communications about health care and health policy [www.kff.org](http://www.kff.org)
- California Office of the Patient Advocate — independent office in state government for HMO members [www.opa.ca.gov](http://www.opa.ca.gov)
- California Departments of Health Care Services [www.dhcs.ca.gov](http://www.dhcs.ca.gov), Insurance [www.doi.ca.gov](http://www.doi.ca.gov), & Managed Health Care [www.dmhc.ca.gov](http://www.dmhc.ca.gov)
- Managed Risk Medical Insurance Board [www.mrmib.ca.gov](http://www.mrmib.ca.gov)

## Thank You For Coming!

