



# **Understanding Your Health Insurance Coverage**

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# Understanding Your Health Insurance Coverage (The Basics)

- What is the Maryland Insurance Administration
- What is health insurance
- Types of health insurance
- What is not health insurance
- Ways to obtain health insurance
- Plan options

# Understanding Your Health Insurance Coverage (The Basics)

- In-network vs. out-of-network providers
- Understanding your health care coverage
- How to obtain pre-authorization for services
- Understanding the terms of your health insurance
- How to file an appeal if your health care claim is denied by a health insurer

# What is the Maryland Insurance Administration

- The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:
  - licenses insurance companies and producers;
  - examines the business practices of licensees to ensure compliance;
  - monitors solvency of insurance companies;
  - reviews/approves insurance policies and rates; and
  - investigates consumer and provider complaints and allegations of fraud.

# What is Health Insurance

- Health insurance is a contract between an individual (or group) and a health insurer.
- Health insurer includes insurance companies, health maintenance organizations (HMOs) and non-profit health service plans that agree to pay part or all of the health care expenses for that individual when health care has been provided and is covered under the contract, also known as the benefit plan.

# What is Health Insurance (continued)

- This is true even if the cost of the health care is more than an individual's health insurance premium payments.
- Health insurance is based on the law of large numbers meaning health insurers collect monthly premiums from many policyholders and pool that money to pay for the health care for all of its policyholders.
- Some policyholders will use very few health care services and some will require expensive or extensive care.

# Types of Health Insurance

There are many types of health insurance. Some examples are:

- Comprehensive Major Medical Health Insurance  
Medicare Supplement Insurance
- Dental Insurance
- Vision Insurance
- Specified Disease Insurance (such as cancer-only coverage)
- Fixed Indemnity Insurance
- Long-Term Care Insurance
- Disability Insurance
- Accidental Death and Dismemberment Insurance

# **Ways to Obtain Health Insurance**

## **1. Employer-sponsored coverage:**

Ask your employer about health insurance benefits and whether you are eligible to participate in your employer's group health insurance plan. Some employers only offer this benefit to full-time employees; others offer it to part-time employees as well. Some employers also pay a portion of their employees' health insurance premiums.

# Ways to Obtain Health Insurance

## 2. COBRA:

- If you are enrolled in your employer's group health plan and you lose your employment, you may be eligible to continue your existing health insurance coverage under COBRA, which is a federal law (the Consolidated Omnibus Budget Reconciliation Act) that gives some employees the ability to continue health insurance coverage after leaving employment or under Maryland's Continuation of Coverage law.
- COBRA only applies to employers with 20 or more employees. The Maryland Continuation of Coverage law applies to employers of any size, but only applies to group policies that are issued in Maryland.
- Additional information about COBRA is available at [www.dol.gov](http://www.dol.gov). A comparison of the Maryland Continuation of Coverage law and COBRA is available here:  
<https://insurance.maryland.gov/Insurer/Documents/bulletins/bulletinh08-13continuationcoveragechart-attachment.pdf>.

# **Ways to Obtain Health Insurance**

## **3. A Family Member's Policy:**

If you are married and your spouse has health insurance, you may be eligible for coverage under that policy. If you are under the age of 26, you may be eligible for coverage under a parent's policy. If your family member's health insurance is through an employer or another entity, your family member should check with the entity to determine whether it offers coverage for spouses or children.

# Ways to Obtain Health Insurance

## 4. Short-Term Medical Plans:

If you need coverage for three months or less, you may be eligible to purchase a short-term individual health insurance policy. The health insurer may require you to provide information about your health history, and may deny issuing you a policy, or deny paying claims for pre-existing conditions. Make sure this type of policy will meet your needs before you purchase. Enrollment is permitted year round for these types of plans. For more information, go to: <https://insurance.maryland.gov/Consumer/Pages/Is-a-Short-Term-Medical-Plan-for-You.aspx>.

# Ways to Obtain Health Insurance

## 5. Medicare:

A federal health insurance program for people:

- Age 65 or older
- Under 65 with certain disabilities
- People of any age who have end-stage renal disease

Enrollees may choose between the “Original Medicare Plan” and a “Medicare Advantage Plan.” For additional information, view the federal government’s consumer guide, “Medicare & You” or go to the website, [www.medicare.gov](http://www.medicare.gov) or call 1-800-633-4227.

# Ways to Obtain Health Insurance

## 6. Medicaid:

Depending on your household income, you may be eligible to receive Maryland Medical Assistance (Medicaid) benefits. If you qualify, you can enroll in Medicaid at any time. To find out if you qualify, contact your local department of social services, <http://dhr.maryland.gov/local-offices>, your local health department, <https://health.maryland.gov/Pages/departments.ASPX>, or a hospital's social work department. The Maryland Health Connection can also help you to determine if you qualify for Medicaid.

# **Ways to Obtain Health Insurance**

## **7. Maryland Children's Health Program:**

If you are pregnant, have a newborn child, or have a child up to age 19, you may be able to obtain health coverage through the Maryland Children's Health Program (MCHP). Contact your local department of social services or your local health department. You also may contact the Maryland Health Connection at [www.marylandhealthconnection.gov](http://www.marylandhealthconnection.gov) or 1-855-642-8572.

# **Ways to Obtain Health Insurance**

## **8. Individual Health Insurance:**

- a. Individual health insurance is health insurance that you can purchase for yourself or your family during the annual open enrollment period, which is usually between November 1<sup>st</sup> and December 15<sup>th</sup> each year, either by:
- Contacting the health insurer;
  - Contacting a licensed insurance agent or broker; or
  - Contacting the Maryland Health Connection during the annual open enrollment period.

# Ways to Obtain Health Insurance

## 8. Individual Health Insurance (continued):

- b. A change in your income or life may make you eligible for a “special enrollment period” through the Maryland Health Connection. You have 60 days after the “qualifying life event” to enroll.

### Examples of “Qualifying Life Events”:

- You lose, or one of your dependents loses, health insurance that meets certain minimum standards under the Affordable Care Act
- You get married or divorced
- You have a child by birth or adoption
- You become a U.S. citizen or gain lawful status in the U.S.
- You move to Maryland and have access to new health plans
- You have a change in income or household status that affects your eligibility for financial assistance

# **What is Not a Health Insurance Policy**

## **1. Health Care Sharing Ministries:**

- Entities that qualify as Health Care Sharing Ministries are NOT health insurance and are not required to offer the essential health benefits offered by traditional health plans.
- Health Care Sharing Ministries, called Religious Publication Arrangements in Maryland, are groups whose members share a common set of ethical or religious beliefs and agree to share health care expenses among their members.
- Members of Healthcare Sharing Ministries agree to make contributions to help pay all or some portion of the eligible health care expenses of fellow members. Members are not guaranteed that any part of their health care expenses will be paid by fellow members, and members are responsible for all expenses related to their health care.
- Before joining, read the description of the program carefully and make sure you understand the guidelines and limitations of the program.

# **What is Not a Health Insurance Policy**

## **2. Discount Medical Plans and Discount Drug Plans:**

These plans are NOT health insurance and do not pay any of your health care costs. Instead, discount plans offer savings to plan members on various health care goods and services. Depending upon the plan, this can include discounts on:

- Prescription drugs
- Doctor visits
- Eyeglasses
- Vision care
- Dental services
- Lab tests

The discounts are made available through arrangements between health care providers and the organization offering the discount plan. For more information, go to:

<https://insurance.maryland.gov/Pages/newscenter/NewsDetails.aspx?NR=20131>.

# **Make Sure You Understand the Rules**

Your plan will have rules that will determine how much you will pay for treatment and where you can go to receive treatment.

For example, some plans allow you to go anywhere to receive treatment, others limit you to certain doctors or facilities. Talk to your plan to make sure you understand the rules.

Here are some questions you should ask:

1. What is my deductible?
2. What is my copay?
3. Are there any limits on the doctors I can see?
4. Are there any limits on where I can receive treatment?
5. Do I need to get approval before I receive any services?

# **Understand the Terms of Your Health Insurance**

After the health insurer has processed your claim, it will issue an Explanation of Benefits (EOB). The EOB provides details about a health insurance claim, such as what portion was paid to the health care provider and what portion of the payment, if any, is your responsibility. The EOB is not a bill. Any portion of the claim not covered by the health insurer, such as a deductible, co-payment, or coinsurance may be billed by the provider and should be paid directly to the provider.

# Understand the Terms of Your Health Insurance

If you have questions, call your health insurer:

- If you owe money, ask the health insurer if this payment will be put toward your out-of-pocket maximum or deductible.
- You may need clarification on charges for certain services you received. You can ask the health care provider to explain the services and charges.
- If you think you have been charged in error, ask the health care provider to go over the entire EOB, line by line, to see if a mistake has occurred.

# **When Your Insurance Company Denies Your Claim for Services or Supplies**

1. After you submit a claim with your health insurer, you will receive an EOB from your health insurer notifying you of its decision not to pay for some or all of the services or supplies you received. If it is based on lack of coverage under your health plan, it is called a coverage decision. If it is based on lack of medical necessity, it is called an adverse decision.
2. If you want to ask your health insurer to reconsider its coverage or adverse decision, follow the instructions in the first EOB, to file an appeal or a grievance. You may wish to ask your treating health care provider to help you with this process, or to do it on your behalf.

# When Your Insurance Company Denies Your Claim for Services or Supplies

3. Once you file an appeal or grievance with your health insurer, the original decision will be reviewed by the health insurer. If it was an adverse decision, the health insurer will have it reviewed by an independent medical expert who will decide if the health care service or supply is medically necessary or not experimental.
4. If the health insurer's decision is to uphold its original decision, it must put its reason in writing. You may then file a complaint with the MIA. *If the health insurer denies your claim as not medically necessary, or experimental, the MIA will send your case to an independent medical expert.*

**Important: there are time limits for filing a complaint with the MIA**

# How The MIA Can Help

You may file a complaint directly with the MIA before receiving the health insurer's appeal or grievance decision if:

- The health insurer waives its requirement that you first appeal to it.
- The health insurer does not follow any part of its internal appeal process (for example, if you don't hear back from the health insurer in the time it is supposed to respond).
- There is a compelling reason, such as showing delay could result in your death, serious impairment to a bodily function, serious dysfunction of a bodily organ, could cause you to be a threat to yourself or others, or could cause you to continue to experience severe withdrawal symptoms.

# How The MIA Can Help

- For Appeals – The Life and Health unit of the MIA will investigate whether a service or supply is covered under the health plan.
- For Grievances - The same unit would send the matter to an Independent Review Organization (IRO) to determine if the service or supply was medically necessary and / or not experimental. At that point, if the health insurer is found to be wrong by the MIA and the insurer still won't reverse its decision, the MIA can take action against the health insurer.

# Contact Information

Maryland Insurance Administration  
Life and Health/Appeals and Grievance  
200 St. Paul Place, Suite 2700  
Baltimore, MD 21202  
410-468-2000 or 1-800-492-6116  
[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

Office of the Attorney General  
Health Education and Advocacy Unit  
200 St. Paul Place 16<sup>th</sup> Floor  
Baltimore, MD 21202  
410-528-1840 or 877-261-8807  
[www.marylandattorneygeneral.gov/pages/cpd/heau](http://www.marylandattorneygeneral.gov/pages/cpd/heau)

# Contact Information

Federal Employees Health Benefits Program

Office of Personnel Management

1900 E. Street, NW, Rm 3443

Washington, DC 20415

202-606-1800 or 800-877-8339

[www.opm.gov](http://www.opm.gov)

United States Department of Labor Employee Benefits Security  
Administration

200 Constitution Ave., NW

Washington, DC 20210

866-444-3272

[www.dol.gov/ebsa](http://www.dol.gov/ebsa)

# **Publications Available on MIA's Website**

Check out the following publications for more information:

- A Consumer Guide to Health Related Resources
- Consumer Guide to Understanding your Health Insurance Coverage for Mental Health & Substance Use Disorders
- Your Rights When Your Health Insurer Will Not Pay For Health Care Services
- A Consumer Guide to Understanding your Health Insurance Costs
- Health Insurance Shopping Tool
- Glossary of Health Insurance and Medical Terms
- Frequently Asked Questions: In-Network vs Out-of-Network
- Frequently Asked Questions to Help You Understand our Health Insurance Coverage and the Claim Process

Questions?