

Health Insurance Basics

6 Basic Questions And Answers About Individual Health Insurance

Some material is courtesy of Plan for Your Health, a public education program from Aetna and the Financial Planning Association.

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Policy forms issued in OK include: Comprehensive PPO-GR-11741 (5/04); Limited-GR-11741-LME (5/04) and Dental-11826 Ed 9/04.

What is individual health insurance?

Individual health insurance is coverage you purchase on your own, directly from an insurance company or insurance agent* (versus group insurance, which you typically receive through your employer).

If you're an early retiree, self-employed or on COBRA, you can purchase major medical health insurance to help protect yourself and your family against health care costs and get access to care.

You pay the entire premium each month; your employer makes no contributions.

* Insurance agents can be found in your community or on the Internet.

How is my medical history reviewed?

With individual health insurance, you are not guaranteed coverage, which is unlike an employer's plan. Based on your current and past health, it's possible to be declined, or offered coverage at a higher premium.

On your application, you'll be asked to submit medical information. Your application will then pass through the insurer's "medical underwriting" process, which evaluates the costs of insuring you and determining if you're eligible for coverage.

Then you'll either be accepted, denied or accepted with a "pre-existing condition" waiting period before a current or past health condition can be covered. You may also receive coverage at a higher-than-quoted rate due to pre-existing medical conditions.

To the extent permitted by law, these plans are medically underwritten and you may be declined coverage in accordance with your health condition. If declined coverage, you may be federally eligible under the Health Insurance Portability and Accountability Act (HIPAA) for a special guaranteed issue plan under your state's laws and regulations.

Can I keep my doctors?

Quality individual health insurance lets you visit any doctor or hospital you choose, without a referral.

Note, however, that you'll pay less out of your own pocket if you see doctors and hospitals in the insurer's participating network.

It's helpful to choose an insurer with a large, nationwide network of doctors and hospitals. This ensures when you travel, you'll have access to participating doctors and hospitals.

To find out if your doctor is in the Aetna network, visit: www.aetna.com/docfind/

Are my prescriptions covered?

Quality individual health insurance will usually cover your prescriptions, after a deductible (the amount you pay before your insurance begins paying benefits).

Many insurance companies offer a choice of major medical plans, some with prescription coverage and some without. Based on prescriptions you take now or have taken in the past, you may be offered coverage at a higher-than-quoted rate, or possibly be denied coverage.

Be sure to check how an insurer covers preferred, non-preferred and generic prescription drugs, because plan details may differ.

Can I cover my dependents?

Quality individual health insurance may allow you to add a dependent spouse and/or dependent children up to age 26 to your policy.

Unlike employer-based plans, individual insurance requires each family member to go through separate “medical underwriting,” which evaluates the costs of insuring and determining eligibility for coverage.

What is a Health Savings Account?

A Health Savings Account, or HSA, is a tax-advantaged account that helps cover your current and future medical expenses. It is designed to be combined with a High-Deductible Health Insurance Plan.

An HSA has three tax advantages: You and/or your family members make contributions to your HSA tax-free. That money earns interest tax-free. And withdrawals you make for medical expenses are tax-free.

Any money you haven't used at the end of the plan year rolls over to the next year. You never lose it because you own your HSA. If you are 55 or older (until you enroll in Medicare), you can make additional catch-up contributions to your HSA.

When you open an HSA (typically from a financial institution that offers these types of accounts), you pair it up with a High-Deductible individual health insurance plan that is specifically designated as "HSA-compatible."