

What to Know About Health Insurance



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Last summer, my 21-year-old and her housemates dealt with a rabid bat in their house and the decision to get the rabies vaccine series. Although we were fairly confident no one had been bitten, we learned bat bites aren't always obvious. We encouraged the shots.

The medical facility billed almost \$20,000. We nearly choked. My daughter's portion was a bit over \$1,000. Had she not had health insurance, we would have encouraged the shots anyway, and we would have figured it out. But I was grateful for her comprehensive college health plan. [Rabies exposure](#) is just one of the weird things young adults should be insured for (in part for your parents' peace of mind). What became most clear during our adventure was how complicated coverage is for people new to advocating for themselves. I checked in with [Young Invincibles](#), an organization devoted to health care, higher education, and economic security for ages 18-34, to find out what trips up people the most when it comes to insurance.

They worry about cost.

Many young people believe insurance is too expensive to afford. "Even if they do have it, there's a perception they can't afford to visit the doctor," says Erin Hemlin, Director of Training and Consumer Education at Young Invincibles. But some care is covered in full (more on this in a minute). And if my daughter hadn't been insured, that rabies bill would have been much worse. Yet we didn't want her to opt out of potentially life-saving vaccines.

If you don't have employer-based coverage or you can't continue on your parents' plan until you're 26, you might qualify for a significant subsidy with an Affordable Care Act [marketplace plan](#). Many people qualify.

They don't understand the purpose of preventive care.

Well care exams, aka preventive care, help people stay healthy, and keep conditions from spiraling into emergency situations that send you to the exorbitant Emergency Room. Some preventive care is [covered in full](#) (with your co-pay) before you meet your deductible. "Even though the ACA has been in effect for a few years now, people still don't know they can get their annual checkup for free, and they can get birth control without any out-of-pocket costs," Hemlin says. When you're young, you don't consider establishing a relationship with a primary care provider (PCP), but doing so keeps costs down.

They don't understand insurance terminology or how it works.

It's important to understand your coverage so you can use it in the most effective and least expensive manner.

Premium: Your premium is what you pay monthly for insurance coverage. Don't confuse premium with deductible.

Deductible: Your [deductible](#) is a fixed annual amount you pay before insurance kicks in. It might be listed on your insurance card. It can range from \$500 to \$6500 and ticks down over time as medical bills are applied to it.

In-network: Your policy covers a certain set of medical providers with "in-network" rates, and a list of these providers is usually available online. Decide on a PCP and know where the nearest in-network hospital is before you need them, Hemlin suggests. Finding providers in another state can be trickier (if attending college out of state, for example). But large carriers such as Blue Cross Blue Shield will contract with "local Blue" providers in that state for in-network rates.

Out-of-network: These providers aren't in your insurance network. They might see you, but they will charge a higher rate. Avoid out-of-network providers as much as possible. Admittedly, in an emergency situation, [that can be difficult](#).

Co-pay: This is a set amount you pay when you visit your doctor, say \$20 or \$30, and should be listed on your insurance card. You probably have an emergency room co-pay and prescription co-pay, too.

Co-insurance: Some plans charge a percentage of a bill rather than a co-pay. Often the plan pays 70 to 80 percent of a bill, and you pay 20 or 30 percent in co-insurance.

Young Invincibles's [Healthy Adulting toolkit](#) explains more about insurance terms, such as out-of-pocket maximums, and why short-term insurance isn't a great choice.

They don't know about qualifying events.

The enrollment window for 2019 ended on December 15, but other [qualifying life events](#), such as college graduation or a job change, qualify you to shop for coverage at other times of year. If you're low income and qualify for Medicaid in an "expanded" state (34 offer it), you can apply any time of year. Don't get shut out of health insurance.

They don't understand different facility options.

Often, the most cost-effective option is visiting your PCP, Hemlin says. The next cheapest option is often a Retail Clinic, found at places like Walgreens or CVS, where an on-site nurse practitioner sees you without an appointment. Then there's Urgent Care. These clinics cost more than a Retail Clinic but less than the ER. Last choice is the Emergency Room, appropriate for life-threatening issues or concerns that can't wait until morning. But it's [pricey](#). The reason my daughter's rabies vaccines cost so much? They had to be delivered at her local ER facility because they weren't stocked anywhere else, and the facility fee cost a bundle.

Your parents can help you, but discussing bills or care requires a [HIPAA](#) permission release. Ultimately you'll need to know these things anyway. Young Invincibles runs Healthy Adulting workshops and webinars in some areas to educate Grownups. You can also find out information from your state's "patient navigators," available through the healthcare.gov website. "It's absolutely worth getting covered," Hemlin says. "And get that annual exam set up. It's free and there's no reason not to do it."