



# FACT SHEET

## Health Access for Independent Living (HAIL)

## Understanding Your Health Care Coverage

### What Is Health Care Coverage or Insurance?

Health care coverage or health insurance provides a way of paying for many kinds of health-related expenses, such as doctor's visits, hospital stays, medications, and durable medical equipment, like wheelchairs and walkers. There are three basic types of health care coverage:

- **Public health coverage** run by the states and/or the federal government (Medicare, Medicaid and the Children's Health Insurance Program [CHIP])
- **Private health insurance** run by private insurance companies
- **Employer-sponsored health insurance** run by **private** insurance companies and partially or totally paid for by employers.

**Public health coverage**, which includes Medicaid and Medicare, is run by the government. Technically, it is not insurance. It's not subject to regulation by the state insurance commissioners, like private companies are, and it is primarily funded by payroll taxes. A governmental agency decides what services Medicare and Medicaid will cover. For Medicaid, some decisions are made by the federal government and others by a state agency. Sometimes a state names its Medicaid program, such as Medi-Cal in California and KanCare in Kansas.

**Private health insurance** can provide more options, such as a choice of health care providers and hospitals. However, the cost to purchase it can be high and the user often has to pay additional fees



Photo courtesy Florida Office on Disability and Health

called deductibles and co-pays. The insurance company decides what expenses its policies will cover, guided by regulations for consumer protection and basic service requirements by the Affordable Care Act. The company's ultimate goal is to make a profit.

This fact sheet will focus on Medicaid, which covers people with low incomes. The Medicaid program is jointly funded by the federal government and the states.

While Medicaid has limitations, such as a limited list of providers, there are also great advantages, such as broad coverage, including home and community-based services (HCBS), and little or no out-of-pocket costs. These advantages may be especially important to people with disabilities and/or those who use a lot of health care services.

### How Medicaid Uses Managed Care Organizations

Presently, many state Medicaid programs require Medicaid recipients to enroll in managed care plans instead of having the state administer Medicaid

services. These plans are run by managed care organizations (MCOs) that are private insurance companies.

Managed care is a plan for health care delivery in which an MCO acts as intermediary or link between the person seeking care and the health care provider. The MCO receives a fixed amount of money from the state to cover all of the health care needs for an individual for a given time period (for example, one year). This arrangement is called “capitation.” MCOs seek to manage their consumers’ health care usage and costs by requiring preapproval of most services and limiting the choice of providers.

### How to Use Your Medicaid Coverage

A recent study revealed that many Medicaid enrollees do not understand how to use their coverage, and as a result, miss out on using some benefits available to them. Here are some tips on using Medicaid that may also apply to other types of health care coverage:



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*Understanding your Medicaid coverage will help you use the benefits that are available to you.*

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- Beware of health care providers who try to bill for the balance on a service you have received. Medicaid providers must accept the Medicaid reimbursement rate and are not allowed to bill patients for any balances. (The balance is the difference between what Medicaid pays and what the provider usually charges.)
- Always provide your Medicaid card to the health care provider. If you receive a bill from the provider, be sure to contact the provider and request that Medicaid be billed. Keep a log of the date that you called and the name of the person you spoke with. (See our fact sheet on “Organizing Your Health Records” for tips on keeping information.)
- Understand how “spend-downs” work, if you have one. Some states allow people to become eligible for Medicaid even if they have too much income to qualify, which is called “excess income.” This process allows you to “spend down,” or subtract, your medical expenses from your income. You should monitor whether you have excess income, especially if your income changes from month to month.
- Don’t be a “no show” for medical appointments, as there may be penalties. Always let your health care provider know as soon as possible if you must cancel or postpone an appointment. Some providers charge for missed appointments. Ask your provider what their office policy is.
- Remember that Medicaid does not just cover emergency care, but also preventive care, such as immunizations and screening examinations. (See our fact sheet “Accessing Preventive Care” to learn how to keep yourself healthy.)
- If you can choose which managed care program you join, check out quality rankings of the plans that are offered. The National Committee on Quality Assurance (NCQA) recommends considering three major

questions when choosing a plan:

- What does the plan cover?
  - How much does the plan cost?
  - Which doctors and hospitals are in it?
- Check online for information about the managed care programs available in each state. If you know other people who receive Medicaid benefits, you might also ask them how satisfied they are with their MCO.
  - This Consumer Reports article expands on the three questions above: Health Insurance Plans by State, <http://www.consumerreports.org/health/insurance/health-insurance-plans.htm>

In summary, understanding Medicaid's benefits and how to make the most of them can be very helpful to people with disabilities. If you are a consumer at a Center for Independent Living, ask for information there, too. CIL staff members are typically well-informed and are a great source of information about Medicaid programs and services, especially for people with disabilities.

## Resources

“Spend Down Procedures” - [www.oms.nysed.gov/medicaid/resources/medicaid\\_spend\\_down.pdf](http://www.oms.nysed.gov/medicaid/resources/medicaid_spend_down.pdf)

Consumer Reports, “How to pick a health insurance plan” - <http://www.consumerreports.org/cro/2012/09/understanding-health-insurance/index.htm>

Counsel & Heal – “Patients need to learn how to use Medicaid” - <http://www.counselheal.com/articles/8526/20140203/patients-need-to-learn-how-to-use-medicaid.htm>

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TOTAL CHARGES	NON-COVERED CHARGES	DEDUCTIBLE	PROVIDER DISCOUNT/DISALLOW	REMAINING COVERAGE
0.00	0.00	0.00	0.00	0.00

If you are a consumer at a Center for Independent Living, the CIL staff members can be a great source of information about Medicaid programs and services. You can find a CIL near you by checking the ILRU directory at <http://www.ilru.org/projects/cil-net/cil-center-and-association-directory>.

This fact sheet is for informational purposes and is not meant to take the place of health care services you may need. Please see your health care provider about any health concerns.

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