

# Health Insurance Basics

## What is the purpose of health insurance?

Health insurance protects you from the high cost of medical care by helping to pay for specific health care services. It can really reduce the amount of money you pay for things like doctor's visits and **prescription drugs**. It also protects you from expensive medical bills if you need more serious care for something like an injury from a car accident or an unexpected illness.

## How does health insurance work?

Health insurance is an agreement between you and an insurer. The insurer pays or helps to pay for medical expenses in exchange for monthly, quarterly or annual payments called **premiums**. If you have insurance through your employer, they will likely pay part of this premium for you.

When you receive medical services, like a check-up or a visit to the emergency room, you may have to pay a fee (called a **deductible, co-insurance** or a **co-payment**) before your insurance will pay the rest. These payments are your **out-of-pocket costs** because you pay them directly.

Health insurance plans often have a **network** of doctors, hospitals and other health care professionals. Insurance plans negotiate with these health care professionals to provide care at discounted rates. That's why your **out-of-pocket** costs will typically be less if you see a doctor who is a member of your health insurer's **network**.

## What if my employer doesn't offer health insurance or I don't have a job?

If your employer doesn't offer health insurance, or if you are unemployed, you should consider purchasing an individual health insurance policy. If you can't afford to do that, this guide provides additional resources that may be available to you through the federal government, your state or through other programs.

## What if I can't afford to buy my own insurance?

If you can't afford to buy your own insurance, you can apply for federal and/or state-sponsored programs that can provide insurance for free or at a reduced cost. These programs have limits on who can get assistance and they provide different types of insurance. Sometimes it can be confusing to figure out which programs can help you.

For this reason, *Insure Your Health* provides basic information on federal resources as well as the different state-sponsored and programs available in your area. Take a look at the information in the federal and state-sponsored programs section and then go to the page for your state. Call the programs that you think would suit your needs and ask if you qualify. You may also want to visit their websites to learn more. These are the first steps toward getting the health care you need for yourself and your family.

### Where can I get help?

Free community clinics and similar facilities are great resources if you're lucky enough to have one nearby, but often they are not enough to provide the care you need.

Both the federal and state governments have programs in place that can give assistance to the uninsured and provide access to the health care they need. Most programs are for U.S. citizens or **qualified immigrants** who meet certain **low-income requirements**.

Review the information for your state to learn more about where to turn for help.