

# KNOW YOUR INSURANCE.

From Lambent Risk Management Services, Inc.



## Benefits of Health Insurance

In the past, you may have chosen to forego health insurance because you had a history of good health or didn't have the money to spare. While this approach might save you a few dollars each month, failing to obtain coverage can be harmful in the long run—not only to your physical wellbeing but also to your financial health. Below are some of the main reasons you should enroll in a health plan today.

### **Protect Your Finances**

No one plans on getting sick or hurt, but unfortunately, it happens. Unexpected medical expenses, such as treatment stemming from a car accident or even a visit to the doctor for strep throat, can quickly drain your bank account if you don't have health insurance.

For example, a broken leg that requires surgery could cost you more than \$20,000 if you do not have insurance. Even a smaller procedure, like an X-ray, can cost several hundred dollars out of pocket. The inability to pay medical bills is one of the top reasons that people in the United States file for bankruptcy. The failure to pay medical debt in a timely manner could also harm your credit score. So, while the premiums for your

health insurance may feel like an unwanted expense at first, owing only your deductible or copay will cost significantly less than having to pay for your care in full.

### **Lower Costs for Services and Prescriptions**

If you have health coverage, your insurance company has already negotiated a discounted rate with physicians and hospitals within its network. Therefore, even before you meet your deductible, you owe less for in-network care than if you didn't have insurance. On average, an uninsured individual pays twice as much for care as someone who has health insurance because he or she does not have the advantage of receiving care at a lower, contracted rate.

In addition, health insurance can help reduce prescription drug expenses. Uninsured individuals are less likely to fill their medications due to affordability, which can lead to further health complications. Obtaining health insurance helps reduce prescription costs through reduced fees and copays, enabling you to better manage your health.

**Health insurance provides a sense of security knowing that an unexpected illness will not drain your bank account.**

### **Greater Access to Care**

If you don't have health insurance and can't afford to pay out of pocket, you or a family member may skip or avoid medical care. For example, if you can't afford to see a doctor or specialist or pay for prescription drugs, you may wait until a chronic condition worsens and then seek care in the emergency room (the costliest place to receive care). Health insurance helps you pay for routine and preventative care, allowing you to stay healthy in the first place.

Under the Affordable Care Act (ACA), health insurance must cover preventative care like annual physicals, biometric screenings, pap smears and immunizations without imposing any cost-sharing. Therefore, regardless of whether or not you have reached your deductible for the year, you do not have to pay out of pocket for preventative services. Preventative care is important because it can help you catch and treat diseases before they turn into more complicated, costly problems.

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## Health Care Reform: Benefits of Health Insurance

### **Individual Mandate Penalty**

The ACA requires you to obtain health insurance or be subject to a penalty. Beginning in 2016, the penalty is 2.5 percent of your income or \$695 per person, whichever is greater, and \$347.50 per child up to a \$2,085 family maximum. In addition, you are still responsible for any health care costs you incur while you are uninsured.

For more information about health insurance, or for help selecting the best health plan for you, contact Lambent Risk Management Services, Inc. today.

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