

Health Insurance Literacy Initiative (HILI) Status

February 2015

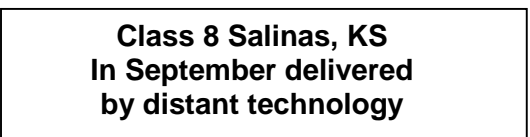
Certification Progress

153 Certified Educators in 32 States

Nine classes of Extension educators are now certified to teach *Smart Choice*. Two more are scheduled for April. Class 8 experienced the innovation of two delivery methods: on-site and distant learning teams.



Class 7 Beltsville, MD in July



Class 8 Salinas, KS
In September delivered
by distant technology



Class 9 Wirtz, VA in December

Publicity

Smart Choice Featured in *Health Literacy Out Loud* Podcast Series

Bonnie Braun's interview on adult education and health insurance literacy is featured in a podcast released last September. The podcast, *Learning and Teaching about Health Insurance HLOL#121* can be heard at:

<http://www.healthliteracyoutloud.com/?s=Bonnie+Braun>



Smart Choice Featured on National Blog

Lynn Little and **Bonnie Braun's** interview by the Advisory Board Company was released in January 2015. It can be read at

http://www.advisory.com/research/care-transformation-center/care-transformation-center-blog/2015/01/health-insurance-literacy-and-patient-engagement?elq_cid=1532639

Health insurance literacy: A missing element in patient engagement

9:30 AM on January 15, 2015 by **Kalyn Saulsberry**

Now that open enrollment is in **full swing** for the health insurance exchanges, millions of Americans will have to decide on health plans for themselves and their families. However, as more decision making falls on individual consumers, concerns about health insurance literacy are increasing. A recent study found that 42% of Americans are unable to define a deductible.

We recently spoke to **Bonnie Braun**, Extension Consultant, and **Lynn Little**, Extension Educator, at the **University of Maryland Extension (UME)**, who launched *Smart Choice Health Insurance@workshops* to teach adults how to select an insurance plan that meets their health needs. *Smart Choice* workshops are two-hour long interactive sessions that use

Emphasis on Partnerships

Partnerships Launched with Healthy Howard, Door to Healthcare and Capital Health Connections. HILI is experimenting with partnerships to both educate navigators and assisters and the public before and during open enrollment. Letters sent by Healthy Howard to 5,000 consumers promoted UME *Smart Choice* workshops.

Navigators participated in a focus group to provide insight into needs for the emerging *Smart Use* curriculum.



Outreach workers participated in a training to use the new *Smart Choice Health Insurance Basics* curriculum. The new Basics curriculum was pre-tested with behavioral health specialists in the Montgomery County Department of Health and Human Services.



Smart Choice Written into New York Grant. The Community Health Care Association of New York State received funding to support a training for incoming Community Health Corps members on how to teach *Smart Choice Health Insurance Basics* at community health centers. The training is scheduled for spring 2015.



Scholarship--Research and Education

A Second Pilot Test of Smart Choice Launched in September. This pilot is testing the validity of a reduced number of assessment items based on findings from the first pilot. This pilot closes in late March coinciding with the end of open enrollment. Educators in 6 states are participating in the pilot test.

Articles Published

Mia Russell was lead author of an article emphasizing the tie between health literacy and financial literacy and another focused on the use of case studies to teach consumers how to make decisions.

Russell, M., Brown, V., Braun, B., Little, L., McCoy, T., Pippidis, M., & Garcia, C. (2014). *Smart Choice: A Solution for a more health insurance and financial literate America.* *Journal of National Extension Association of Family and Consumer Sciences.* 9. 78-83:

http://www.neafc.org/assets/documents/journal/2014jneafc/jneafc%20volume%209_2014%20final.pdf

Russell, M., Little, L., & Pippidis, M. (2014) *Effective Case Studies: Making a Smart Choice Health Insurance© decision.* *The Forum for Family and Consumer Issues.*

http://ncsu.edu/ffci/publications/2014/v9-n2_2014-summer-fall/russell-little_pippidis.php

Scholarship Inventory

For a complete inventory of scholarship from the HILI team in 2014, go to:

<http://extension.umd.edu/insure/research>
Click to open the pdf.

New Factsheets Released

Consumers are confused about subsidies and tax implications of the Affordable Care Act; about out-of-pocket costs and about the differences between Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs). To reduce confusion, several members of the HILI team have authored fact sheets.

Lynn Little authored a fact sheet explaining the types of health insurance subsidies and how to locate additional information.



Smart Choice Health Insurance® Subsidies

The Affordable Care Act includes provisions to lower premiums and out-of-pocket costs for people with low to moderate household incomes. Two types of subsidies are available:

- **Premium tax credits**—to help people pay the monthly cost of having a health insurance plan purchased through the Health Insurance Marketplace.
- **Cost-sharing reductions**—to decrease the charges individuals enrolled in a health insurance plan must pay when receiving health care services.

Cost-sharing reductions decrease the out-of-pocket charges, such as deductibles, copayments, and coinsurance, an enrolled individual or family must pay for medical services covered by the health insurance plan. People with household incomes up to 250% of the Federal Poverty Level and enrolled in a Health Insurance Marketplace Silver Plan are eligible for the cost-sharing reductions. For more information on cost-sharing reduction plans, visit: <https://www.healthcare.gov/lower-costs/save-on-out-of-pocket-costs/>.

Either or both of these subsidies can make health insurance more affordable for individuals.

Mia Russell, Bonnie Braun and Lynn Little authored a fact sheet on how to estimate “out-of-pocket” expenses.



Helping You Make a “Good Guess” for Out-of-Pocket Health Costs

Out-of-pocket costs are not reimbursed, or paid, by health insurance and include your monthly health insurance premium, copayments, deductibles and coinsurance. Look at the summary of benefits from your health insurance plan to see what counts toward your out-of-pocket costs.

Why do I need to know out-of-pocket costs?

You need a way to make a “good guess” of health care costs for next year as you create a budget for health insurance and other health expenses. This good guess helps you to

If you kept records of your out-of-pocket costs in 2014, you would multiply your costs times 105% (out-of-pocket costs x 1.05) for your personal “best guess.”

How do I Keep Records of My Costs?



To keep records of your out-of-pocket costs:

Virginia Brown and Maria Pippidis co-authored a fact sheet on Flexible Spending Accounts and Health Savings Accounts.



Saving for Health & Medical Expenses
Flexible Spending Accounts and Health Savings Accounts

Health care can be costly. From doctor visits and medicine to braces and glasses, there are many things you have to pay for beyond the monthly insurance premium. Setting money aside to manage these expenses helps reduce your reliance on credit to cover these costs and reduces your concerns regarding your ability to cover a bill.

You can save money in your emergency fund or you can use a special type of savings accounts that provide tax saving benefits. The two most common are health Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs).

Both of these accounts help you save for out-of-pocket expenses such as deductibles, copayments, and coinsurance before taxes are taken out of your income.

Important Words to Know
Pre-tax dollars - sometimes described as pre-tax income, this is your gross income before income taxes are withheld. Any contributions you make to a flexible spending account or health savings account comes out of your pre-tax income.

The contribution reduces your current income, thus reducing the amount of taxes you owe because you don't pay taxes on the money set aside.

All materials continue to be posted on the public and private sites of the Insuring Your Health Website located at:
<http://extension.umd.edu/insure>

UME Faculty, Staff and Administrators Alerted to Open Enrollment Changes.

Through a brief presentation during the September UME Administrative Monday, HILI members shared the need to compile records of health expenses in preparation for open enrollment. Participants were alerted to changes in health insurance plans available for 2015. All were reminded of the Smart Choice workbook they could use to help in making a smart choice health insurance purchase.

Twenty-one UMD Residential Facilities staff participated in workshops in September to prepare them for the October open enrollment in state of Maryland Health insurance plans.

Acknowledgement: This health insurance literacy initiative was developed with funding from University of Maryland Extension, the College of Agriculture and Natural Resources, and University of Delaware Cooperative Extension.

Initiative Team: University of Maryland Extension- Bonnie Braun, Virginia Brown, Lynn Little, Teresa McCoy, Mia Baytop Russell; University of Maryland Facilities Management - Christine Garcia; University of Delaware Cooperative Extension – Maria Pippidis.

Contact: Bonnie Braun, bbraun@umd.edu