

Understanding Health Insurance



With multiple different types of health insurance and varying degrees of coverage, it can be a challenge to know what's right for you. However, carrying adequate health insurance is one of the best ways to protect yourself against the potential financial stress of high medical bills. By paying for insurance now, you'll have the coverage you need if something happens in the future.

What is health insurance?

Depending on the type and amount of coverage, health insurance covers some or all of your medical costs when you pay a premium, which is usually billed monthly.

When do you need health insurance?

Regardless of how healthy you are, everyone needs some level of health insurance. Without it, you leave yourself and your family vulnerable to high medical bills if a health event occurs. Even something as seemingly insignificant as a broken toe could end up potentially costing you thousands of dollars.

How do you get health insurance?

All uniformed service members, retirees and their families are eligible for TRICARE, the health care program from the Department of Defense Military Health System. However, just like other types of health insurance, TRICARE health plans vary based on your eligibility and the type of plan you choose. You can learn more about all of the available health plans here: <https://www.tricare.mil/Plans/HealthPlans>.

The main TRICARE health plan is called TRICARE Prime, which is available to all active-duty service members and their families with no out-of-pocket costs. TRICARE Prime is also available for activated Reserve and National Guard members and their families, as well as some retired service members, survivors and others. You can learn about your eligibility here: <https://www.tricare.mil/Plans/Eligibility>.

Other TRICARE health plans include:

- TRICARE Select, a fee-for-service plan available primarily to family members
- TRICARE Reserve Select, a premium-based plan available for Reserve members not on active duty and their family members
- TRICARE Retired Reserve, a premium-based plan for retired reservists under the age of 60
- TRICARE For Life, a plan that provides Medicare-wraparound coverage

There are also additional TRICARE plans for service members and their families living overseas and in remote areas, as well as other family plan options. Compare plans to determine what option is right for you here: <https://www.tricare.mil/Plans/ComparePlans>.



Did you know?

Approximately 9.5 million beneficiaries use TRICARE health plans.*

Common Health Insurance Terms

Premium: The money you pay to secure the insurance, usually on a monthly or annual basis.

Provider: The person, facility or company providing services – usually doctors, hospitals and pharmacies, in regard to health insurance.

Deductible: An amount you pay first, before the insurance company begins covering services. Deductibles typically reset on an annual basis.

Copayment: A set amount you pay for services covered by insurance, such as annual health exams or diagnostic tests. Copayments are often due at the time of service rendered.

Coinsurance: The percentage you pay of a medical expense. Most plans move to coinsurance coverage after a deductible is met during any given year.

Covered services: The designated services in your plan that are entirely covered by insurance. These typically include annual health exams and some diagnostic tests.

Out-of-pocket maximum: The maximum amount you are responsible for during a calendar year, including payments toward the deductible, coinsurance and copayments. Once the out-of-pocket maximum is met, the insurance covers the entirety of the remaining cost.

In-network: A term for medical providers and organizations that contract with the insurance company.

Out-of-network: A term for medical providers and organizations that do not contract with the insurance company. As a result, services may not be covered and will cost more.



Need help navigating health insurance decisions and debating premiums? Talk to a personal financial manager or counselor at your nearest Family Center:

<https://installations.militaryonesource.mil/>

For more financial planning resources, visit our website at <https://finred.usalearning.gov/>

and follow @DoDFINRED on:     



*<https://www.health.mil/1-Am-A/Media/Media-Center/Patient-Population-Statistics#:~:text=The%20Military%20Health%20System's%20TRICARE,million%20beneficiaries%20around%20the%20world.&text=Patients%20by%20TRICARE%20Plans,Patien%20Numbers%20by%20State>