



Affordable Care Act (ACA):
Helping Families of Children with Special Needs to Understand Deductibles

One of the most confusing aspects for families of children with disabilities is the concept of deductibles and how that plays into cost-sharing. Many parents will choose plans with lower deductibles, but this may mean there is also a level of fewer benefits, which could be particularly problematic for children with special health care needs.

What is a Deductible?

According to Healthcare.gov, the deductible is “[T]he amount you owe for covered health care services before your health insurance plan begins to pay.” For example, if the plan’s deductible is \$500, that’s how much you would have to pay before insurance kicks in.

Please note that there can be either individual or family deductibles under the plan. (Each individual deductible generally will be lower than a family deductible for a similar plan.) If you have an individual (“embedded”) deductible, each individual would have to reach that deductible before his or her healthcare costs would be covered. If it’s a family (“aggregate”), deductible, that means that the deductible amount would have to be spent across all family members before their healthcare costs would be covered. It may be necessary to call an insurance plan to find out what type of deductible it has.



While it may sound better to have one family deductible this is NOT necessarily better when it is expected that one family member – such as a child with special health care needs – will have higher health care costs than other family members. For example, if there is a family deductible of \$2,000, then insurance coverage won’t apply for any family member until the family has spent that much out of pocket. But if each family member has a \$500 deductible, then insurance coverage will be applied for an individual family member once his or costs have reached the deductible. (See blog post from the Georgetown Center on Health Insurance Reform at <http://chirblog.org/embedded-deductibles-and-how-they-work/>.)

What Families Need to Know

Deductibles are only part of total health costs. Parents must also consider premiums (cost of buying the insurance policy) as well as out-of-pocket costs, including copays (see Resources.) Families can also save money by using “in-network” providers, which means health care providers that participate with their plan and agree to accept the payment amount provided by the insurer.

Key things for parents of children with special needs need to keep in mind about deductibles are:

- There is no deductible for preventive services.
- Some plans offer other (non-preventive) services without a deductible, although any copayments will still apply. Examples include visits to a primary care provider and some specialists (e.g. mental health), and/or prescriptions. To find out which services are covered without a deductible, go to healthcare.gov, pick a plan, and click on “costs for medical care.” An even more detailed list is available on the plan “Summary of Benefits and Coverage.”
- When choosing a plan, families can look at services without a deductible along with premiums and other out-of-pocket costs. During open enrollment, there is an “Out-of-Pocket Costs” tool on Healthcare.gov which estimates premiums, deductibles, and copays for the year.
- Some families can save on out-of-pocket costs by selecting a “silver plan.” More information is available at <https://www.healthcare.gov/lower-costs/save-on-out-of-pocket-costs/>.
- It is important to find out whether a plan has a family deductible or individual deductibles for each family member, and then figure out which is likely to be more advantageous for them. (If the type of deductible is not indicated on healthcare.gov, it will be necessary to call the insurance company to get that information.)

Understanding deductibles and other cost-savings is a key issue for families of children with special needs. By examining how deductibles work, and not just picking the lowest- deductible plan, parents will get the best coverage for their child with special healthcare needs at the most affordable cost.

Resources



→ Deductibles and your Marketplace health insurance

<https://www.healthcare.gov/blog/deductibles-in-the-health-insurance-marketplace/>

→ 6 things to know about deductibles in the Health Insurance Marketplace

<https://www.healthcare.gov/blog/6-things-to-know-about-deductibles-in-the-health-insurance-marketplace/>

→ Your total costs for health care: Premium, deductible & out-of-pocket costs

<https://www.healthcare.gov/choose-a-plan/your-total-costs/>

→ Pay less even before you meet your deductible

<https://www.healthcare.gov/why-coverage-is-important/pay-less-before-meeting-deductible/>



→ Five Facts About Deductibles: <https://blog.cms.gov/2015/11/17/five-facts-about-deductibles/>



→ CHIR Blog: Embedded Deductibles: Source of Consumer Confusion

<http://chirblog.org/embedded-deductibles-and-how-they-work/>

This tip sheet is based on an ACA blog authored by Lauren Agoratus, M.A. Lauren is the parent of a child with multiple disabilities *who serves as the Coordinator for Family Voices-NJ* and as the southern coordinator in her the New Jersey Family-to-Family Health Information Center, both housed at the Statewide Parent Advocacy Network (SPAN) at www.spanadvocacy.org. More of Lauren’s tips about the ACA can be found on the website of the Family Voices National Center for Family/Professional Partnerships: <http://www.fv-ncfpp.org/>.

