

BASICS OF Health Care Coverage

We all agree: Every American deserves better, more affordable health insurance coverage. We're committed to working with policymakers and the public to deliver just that. Finding solutions starts with understanding the system — so we can improve what's working and fix what's not.

HOW DOES HEALTH CARE COVERAGE WORK?

There are many different types of health insurance, but they generally work the same:

- Americans pay in to a shared program – like Medicare or their employer-provided plan
- Funding is pooled together to cover everyone in that group
- Costs are shared, so when someone gets sick or injured, they don't go bankrupt paying for their medical care

Health insurance covers **more than 80 percent of the total cost** of medical care — everything from doctors' visits, trips to the emergency room, and prescription drugs to vaccinations, cancer care, major surgeries, and mental health care.

More than 90 percent of Americans — nearly 300 million people — are covered today. They get their insurance two main ways:

- Most Americans under the age of 65 have **private health insurance**, usually employer-provided coverage through their workplace or purchased on the individual market.
- **Government-provided Medicare or Medicaid.** These programs are usually public-private partnerships between federal and state governments and health insurance companies.
 - More than 80 percent of Medicaid beneficiaries have privately-administered coverage, and more than 30 percent of all Medicare-eligible Americans choose to enroll in private Medicare Advantage plans.

WHAT IS COVERED?

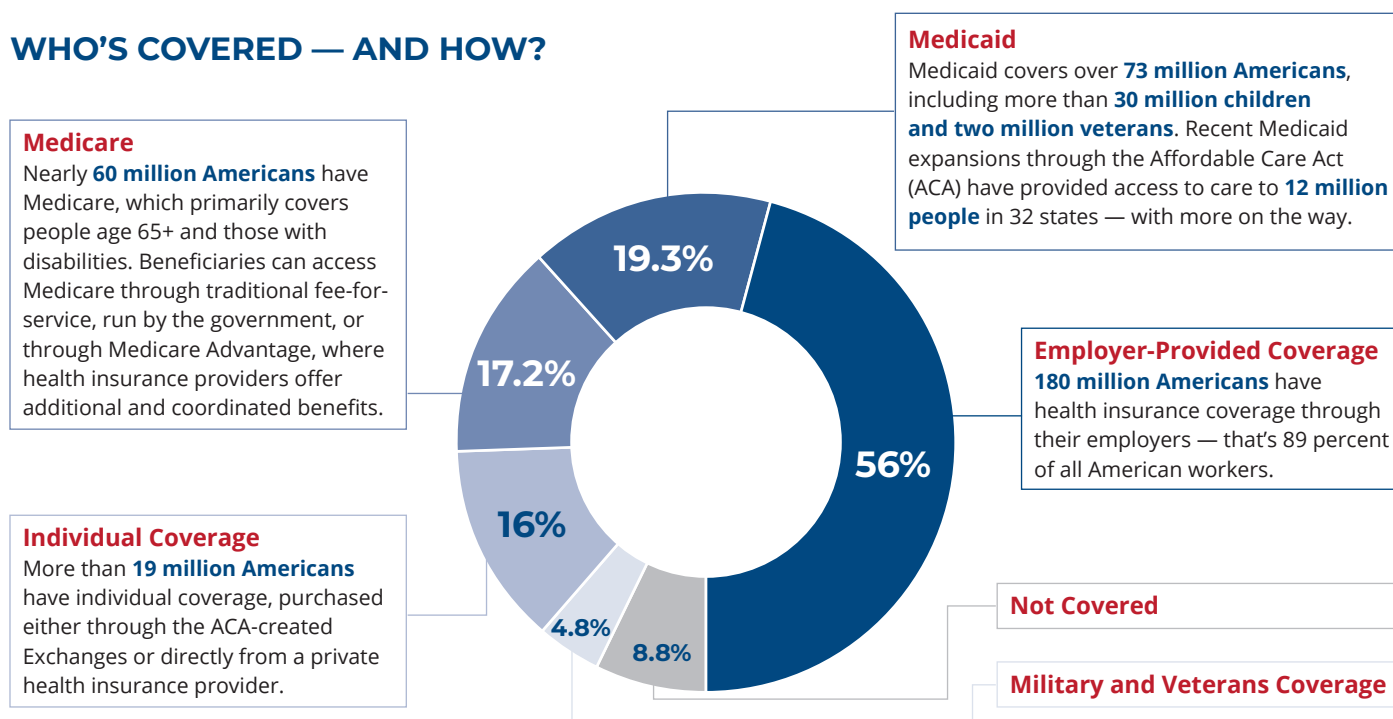
Health insurance providers **approve more than 98 percent** of all claims. Coverage decisions are made through close consultation with doctors and other care providers to make sure patients receive the best possible care for their overall health.

Health insurance providers give patients access to important preventive care at no additional cost. Proactive preventive health, like flu vaccines and checks on blood pressure or cholesterol, improves overall health and reduces costs for patients. Health insurance providers also deliver care coordination—helping patients navigate between doctors and clinics—which reduces costs to patients by as much as 50 percent while improving the quality of care.

Everyone deserves access to high-quality health benefits at a price they can afford. Health insurance providers work with other health industry leaders — like pharmaceutical companies, doctors, and hospitals — and lawmakers at the state and national level to lower costs for consumers. They negotiate lower prices that in turn lower premiums. Because when the cost of delivering care goes up — for things like prescription drugs, doctor’s appointments, and hospital stays — insurance costs go up, too.

Addressing **social determinants of health** by coordinating housing, employment, education, and food services and supporting other needs (e.g., child care), in addition to traditional health care services, is a top priority for health insurance providers. Such efforts are shown to decrease emergency health spending by 26 percent.

WHO’S COVERED — AND HOW?



WHO’S NOT COVERED – AND WHY?

Approximately **28 million Americans** do not have stable health insurance coverage. **Nearly 20 million people** without insurance are eligible for but not enrolled in free or discounted coverage. **Nine million people** — about 3 percent of the U.S. population — are generally not covered because they:

- Live in states that have chosen to not expand Medicaid
- Make too much money to be eligible for discounts on the Exchanges
- Are undocumented and ineligible for many types of coverage

AHIP is committed to working with Congress on policies that will ensure every American is insured — and **bring this number down to zero.**