

NATIONAL DISCUSSION AND DEBATE SERIES: HEALTH CARE

Lesson Two: Health Insurance Overview

Overview:

Though most students are currently covered under their parent's health insurance plans, many will soon secure jobs and health benefits of their own. Before students can engage in meaningful debate about the challenges and benefits of the current health care system, they must understand its jargon and structure. This lesson provides students with the opportunity to analyze and compare a variety of health care plans in order to increase their familiarity with the terms and concepts used in the health care debate.

Time: 45-55 minutes

Objectives:

Students will:

1. Define basic health care terminology
2. Understand basic health insurance options
3. Analyze the connection between income and health care options
4. Define the term "underinsured."

Materials:

1. Internet access
2. Vocabulary Builder worksheet
3. Health care on Minimum Wage Worksheet
4. Health care on Minimum Wage Teacher's Guide
5. Sample health insurance plans from area businesses
6. Understanding Health Benefits Worksheet

Procedure:

1. Complete a vocabulary builder exercise before proceeding with this lesson.
2. Use the [How We Are Insured](http://www.pbs.org/newshour/indepth_coverage/health/uninsured/howweareinsured.html) (http://www.pbs.org/newshour/indepth_coverage/health/uninsured/howweareinsured.html) and [The U.S. versus Other Nations](http://www.pbs.org/newshour/indepth_coverage/health/uninsured/international.html) (http://www.pbs.org/newshour/indepth_coverage/health/uninsured/international.html) sections on the NewsHour Web site to provide students with a basic overview of health insurance in the United States. Explain co-payments, premiums, deductibles, pre-existing conditions, and the difference between HMOs and PPOs.
3. Distribute the "Health care on Minimum Wage" worksheet to each student. Post Mary's sample minimum wage paycheck on the board or overhead. Read Mary's

story as a class and answer any questions students may have. Allow students time to answer the questions and then discuss answers as a class.

4. Divide students into small groups. Bring a variety of health insurance Explanation of Benefits packages from area businesses. Distribute one Explanation of Benefits package to each group. (As an alternative, ask students to go to area businesses they are interested in and ask about the benefits the companies offer.) Students will read through the plans and complete the Understanding Health Benefits worksheet. Check on each group and explain confusing terms or concepts as needed.
5. When all students have finished, each group will provide an overview of their assigned insurance plan and share the group's answers to the discussion questions.

Vocabulary Builder Activities

Vocabulary Terms

Universal Health Insurance	Co-Payment
Medicare	Cost Sharing
Medicaid	Deductible
Managed Care	Employer Sponsored Coverage
Health Savings Account	Preventative Care
Health Maintenance Organization (HMO)	Fee-for-Service Plan
Preferred Provider Organization (PPO)	Private Care
Cobra	Mandated Employer Insurance
Co-Insurance	Primary Care Provider
Premium	Subsidized Health Insurance
Uninsured	Single-payer System
Underinsured	Third-party Payer

Vocabulary Activities

- 1. News Report** – Write an editorial answering the following question: Do Americans have a right to health care? Use at least five vocabulary terms in the editorial.
- 2. Teachable Moment** – A foreign exchange student is coming to study at your school. She or he asks you to explain the American model of health insurance. Write a brief explanation of the American model of health insurance using at least five vocabulary terms. Divide into pairs and take turns explaining the insurance system.
- 3. Commercial Break** – Develop a commercial advertising your ideas for health care reform. Use at least three vocabulary terms in your commercial. Present your commercial to the class.
- 4. Vocabulary Match** – Write the definition of each vocabulary term on strips of paper. Write each vocabulary term on separate strips of paper. Distribute the vocabulary terms to some students and the definitions to others. Allow students to walk around the room to find their match. Each pair must then use the term correctly in a sentence.
- 5. Human Resources** – You work for the human resources department at a large firm. Your job is to explain health care benefits to new employees. Explain your company's benefit package using at least three vocabulary terms.

Health Care on Minimum Wage: Teacher's Guide

Example: Mary's Bi-Weekly Minimum Wage Paycheck in Arizona

Earnings	Rate	Hours	This Pay Period	Year To Date
Regular	\$5.85	80	\$468	
	Gross Pay		\$468	\$11,232
Deductions				
	Federal Income Tax	\$40.20		
	Social Security Tax	\$29.02		
	Medicare Tax	\$6.79		
	State Income Tax	\$4.02		
	Health Insurance	\$26.54		
Net Pay			\$361.43	\$8,674.32

Mary's Story:

Mary is a high school graduate who decided to work for a few years before entering college. She is no longer eligible for her parent's insurance and has signed up for her company's PPO health insurance plan. She pays \$637 per year for her insurance premium, and has a \$400 yearly deductible. After she meets the deductible, her insurance will cover 80% of any treatment, while she will be responsible for 20% of the treatment. Her doctor visit co-pay is \$15, her emergency room co-pay is \$75, and her hospital co-pay is \$100 for pre-approved admissions. Her co-pays for prescription medications are \$11 for generic drugs and \$24 for preferred drugs. Mary does not get paid time off work.

Mary has two roommates, and her share of the rent and utilities comes to \$300 per month. Because she owns a used car, she has no monthly car payment, but she does pay \$80 per month for car insurance and an average of \$120 per month for gas, bringing her average monthly expenses, not counting groceries, to \$500.

Discussion Questions:

1. How much money does Mary have left over each month to spend on food, other needs or wants, or put in a savings account? **\$222.86**

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<http://millercenter.org/public/debates/healthcare>

2. How might Mary's financial situation impact her healthy or unhealthy behaviors? (i.e. type of food she buys, how often she exercises, stress levels, etc.) *Mary will probably buy inexpensive food which typically includes highly processed food. Because Mary is working full time to make ends meet, she doesn't have much time to prepare healthy meals or exercise. High stress levels, unhealthy eating habits, and lack of exercise all put Mary at risk for several chronic diseases later in life.*

3. What percentage of Mary's income does she spend on health insurance? *Her premium, not including her deductible, co-pays, or medications, accounts for 7% of her income.*

4. How might Mary's financial situation impact her decision to go to the doctor when she is ill? *Because she will miss time from work and she is struggling to make ends meet anyway, Mary will probably avoid going to the doctor until she is seriously ill, likely increasing her cost of treatment.*

5. Mary gets pneumonia and decides to go to the doctor for treatment. The doctor prescribes a preferred medication. Mary misses three days of work. How much does this illness cost Mary? *\$140.40 for missed work, \$24 for preferred prescription, and \$15 co-pay for doctor visit = \$179.40.*

6. A few months later, Mary is sick again but decides that she cannot afford to go to the doctor this time. Unfortunately, her condition worsens. She is hospitalized for two days and misses eight days of work. Her hospital stay, including medications, costs \$2,500. How much does this hospital visit cost Mary (including deductible, co-pay, her 20% share of the cost, and missed work days)? *\$500 for her 20%, \$100 co-pay, \$400 deductible, \$374.40 for missed work = \$1374.40*

7. What can Mary do, within her financial constraints, to promote her health and prevent illness? *Answers will vary.*

8. Mary's company pays a percentage of its employees' health care premiums which are rising at an alarming rate. What types of things could Mary's company do to promote healthy behaviors in their employees and prevent illness? *Answers will vary.*

9. What could the community, state, or national government do to help workers like Mary? How could the community, state, or national government help Mary's company promote healthy behaviors? *Answers will vary*

10. Why might people in Mary's situation choose to be uninsured? *They would rather take the chance that they will not get ill so that they can keep needed income each month and make ends meet.*

11. Why might people in Mary's situation be considered underinsured? *Because Mary makes so little money, any illness threatens to put Mary in financial hardship.*

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Health Care on Minimum Wage Worksheet

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Mary has two roommates, and her share of the rent and utilities comes to \$300 per month. Because she owns a used car, she has no monthly car payment, but she does pay \$80 per month for car insurance and an average of \$120 per month for gas, bringing her average monthly expenses to \$500.

Discussion Questions:

1. How much money does Mary have left over each month to spend on food and other needs or wants? How much money does Mary have left over to put in a savings account?

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2. How might Mary's financial situation impact her healthy or unhealthy behaviors? (i.e. type of food she buys, how often she exercises, stress levels, etc.)
3. What percentage of Mary's income does she spend on health insurance?
4. How might Mary's financial situation impact her decision to go to the doctor when she is ill?
5. Mary gets pneumonia and decides to go to the doctor for treatment. The doctor prescribes a preferred medication. Mary misses three days of work. How much does this illness cost Mary?
6. A few months later, Mary is sick again but decides that she cannot afford to go to the doctor this time. Unfortunately, her condition worsens. She is hospitalized for two days and misses eight days of work. Her hospital stay, including medications, costs \$2,500. How much does this hospital visit cost Mary (including deductible, co-pay, her 20% share of the cost, and missed work days)?
7. What can Mary do, within her financial constraints, to promote her health and prevent illness?
8. Mary's company also pays a percentage of health care premiums, which continue to rise. What types of things could Mary's company do to promote healthy behaviors in their employees and prevent illness?
9. What could the community, state, or national government do to help workers like Mary? How could the community, state, or national government help Mary's company promote healthy behaviors?
10. Why might people in Mary's situation choose to be uninsured?
11. Why might people in Mary's situation be considered underinsured?

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Understanding Health Care Benefits Worksheet

Directions:

Read through the company's explanation of benefits package as a group and use it to answer the following questions.

1. What type of plan does this company offer? (an HMO, PPO, etc.?)

2. How much are the insurance premiums per month?

3. Does the company offer paid time off work?

4. What percentage of your monthly pay goes to health insurance?

5. Does the insurance cover preventative visits?

6. Does the insurance reward healthy behaviors?

7. How much are your co-pays for doctor visits?
For emergency room visits?
For hospital admissions?
For prescriptions?

8. Do you have a deductible? If so, how much is it per year?

What percentage of your income is this deductible?

9. Based on your insurance, how likely would you be to go to the doctor? Explain your reasoning.

10. What other notes or insights do you have about this insurance?

11. What would you change about this insurance plan if you could?

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