

Understanding Your Insurance

**For the client/family to keep

Sometimes health insurance can seem overwhelming and confusing. In case you're feeling this way, we have shared some of the most common insurance terms you will hear or see below.

Term	Description	Example
<p>Deductible</p> <p>My Deductible:</p> <p>\$ _____</p>	<p>The amount you must pay each benefit year before insurance begins to pay.</p>	<p>If you have \$1,000 deductible, you will pay the first \$1,000 each year. This means that you will have to pay \$1,000 out of pocket before insurance will cover any medical costs. Sometimes there is an individual and family deductible. Let's say you have 5 people in your home, and each individual deductible is \$1,000, but the family deductible is \$3,500. That means once you've paid the first \$3,500 as a family, the individual deductibles are met by default.</p>
<p>Co-payment/Co-pay</p> <p>If I have a co-pay, how much is it?</p> <p>\$ _____</p>	<p>A set fee you must pay for each office visit or other medical service. In some plans, co-pays apply before your deductible is met. Often, but not always, co-pays are not applied toward your deductible if you have this type of plan. In other plans, co-pays only apply after you have paid all your deductible.</p>	<p>If you have \$1000 deductible and a \$25 co-pay for doctor visits before the deductible, a doctor visit will cost you \$25 out of pocket even if you have not yet met the \$1000 deductible. But if your insurance requires you to pay the deductible before co-pays apply, you will pay 100% of the doctor visit if you had not yet met your deductible.</p>
<p>Coinsurance</p> <p>What is my coinsurance?</p> <p>_____ %</p>	<p>A percentage of the total cost you must pay for medical services after you have met your deductible. Coinsurance is different from a co-pay because coinsurance is a percentage, not a set fee. For instance, you may have an 80/20 plan. This means that the insurance pays 80% and you pay 20%.</p>	<p>Assume you have met your deductible for the year and have to have an x-ray for an injury. The x-ray cost was \$200, so you pay \$40 (20% of the bill) and the insurance pays \$160.</p>
<p>Out of Pocket Maximum</p> <p>What is my out-of-pocket maximum?</p> <p>\$ _____</p>	<p>This is the most you will pay for medical services in one year. It is a set dollar amount. Even if co-pays do not apply toward your deductible, in many plans they do apply toward your out-of-pocket maximum. After you have paid this amount, the insurance will cover in-network services at 100%.</p>	<p>Assume your out-of-pocket maximum is \$8,000. You had a lot of medical issues one year so that you met your deductible quickly. After meeting your deductible, you paid your coinsurance, but eventually, you had to pay \$8,000 out of pocket. After this, your insurance will cover all of your medical costs at 100%, and you are no longer responsible for a coinsurance.</p>
<p>In-Network vs. Out-of-Network Providers</p> <p>Is CCBT in-network with my insurance?</p> <p>_____</p>	<p>In-network providers have established a contract with your insurance while out-of-network providers have not. Your insurance will not typically cover as much for out-of-network providers.</p>	<p>Assume you have met your in-network deductible for the year and are now paying a coinsurance of 20% for in-network providers. You decide to see an out-of-network doctor for a visit. Upon submitting it to insurance, you are responsible for 100% of the bill because the amount charged is applied toward your out-of-network deductible, which is oftentimes separate and can even be higher.</p>

If you are unsure of what your deductible, co-pay, coinsurance, and out-of-pocket maximums are, you can call your insurance company. They can tell you exactly what these amounts are and if you have met your deductible or out-of-pocket maximum this year.