Adobe

Health insurance 101

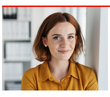
Six insurance terms to know to help you learn how much you'll pay for your health care



Per-pay-period contribution

Definition: The amount you pay for your health insurance each pay period.

Example



When Anna looks at her Adobe pay stub, she sees a **pretax deduction** of $185 for "medical." That's how much of her paycheck goes toward paying for her medical plan.

In-network

Definition: A group of doctors, labs, hospitals, and other health care providers that your plan contracts with for negotiated payment amounts. Since your in-network deductible is lower and the rates are already set, you'll always pay less when you see in-network providers. Note: If you're in the Kaiser HMO or Aetna HealthSelect EPO plan, you can only use in-network providers, except in an emergency.

Example



Krish is enrolled in the Aetna HealthSave plan. When he needs to see a doctor, he visits the Aetna website to ensure that he finds a doctor who is in the Aetna network, because that means he'll pay less for his doctor visits.

Deductible

Definition: The amount you pay during one calendar year for nonpreventive, covered health care before your insurance begins to pay.

Example



Brian's Aetna HealthSave medical plan has a **$1,750** in-network **deductible**. Here's what that means to him during the course of a year:

Medical expense (in-network)		What Brian pays	Total this year
Routine doctor visit	$100	$100	$100
Prescription (brand-name)	$200	$200	$300
Urgent care visit	$300	$300	$600
Prescription (generic)	$90	$90	$690
Doctor visit	$200	$200	$890
MRI	$860	$860	**$1,750**[1]
Specialist visit	$200	$20 (10%)	$1,770
Prescription (generic)	$100	$15 (copay)	$1,785

[1]He's now paid **$1,750** and met his medical plan's in-network **deductible**.

From this point until the end of the year, Brian's health insurance will pay 90%, and he will pay 10% for most in-network services. The amounts he pays will count toward his out-of-pocket maximum.

The Aetna HealthSave plan comes with a **Health Savings Account (HSA)**. Brian can use the money he and Adobe put in his HSA to pay for eligible out-of-pocket expenses.

Coinsurance

Definition: Your share of the cost of covered health care services after you meet your deductible. It's calculated as a percentage (for example, 10%) of the allowed amount.

Example



Rahul has already met his deductible for the year, and then his doctor orders some diagnostic blood tests. Rahul doesn't pay anything when he goes to the lab, but he receives a bill later. His bill is only **10%** of the cost, since his medical plan paid its **90%** share first.

Copay

Definition: A set dollar amount you pay up front for doctor visits, prescriptions, and other health care services.

Example



Akiko is enrolled in the Kaiser HMO plan. When she visits her doctor, she pays **$25** at check-in. She won't receive any bills after her visit, because her plan only requires that copay up front.

Out-of-pocket maximum

Definition: The most you'll pay in a calendar year for covered health care services. This cap does not include your per-pay-period contributions, any charges that are over the allowed amount from out-of-network providers, or services that your plan doesn't cover. Note: Your out-of-pocket maximum is significantly lower if you use in-network providers.

Example



Isabelle's skiing accident included a painful fall and twisted knee. She needed an MRI and minor surgery. She also needed regular physical therapy sessions to make sure she was healing properly. Months later, she's happy to be back on her feet and to know that she only had to pay for medical expenses up to the set limit for the year. After that, her medical plan took care of **100%** of her covered in-network expenses.

Putting it all together

The total cost of your health care for the year is the sum of your per-pay-period contributions plus your out-of-pocket costs:

Per-pay-period contributions + Deductible + Copays + Coinsurance = **Your total cost**

Out-of-pocket costs

Depending on your medical plan, you can contribute to a **Health Savings Account (HSA)** to cover your out-of-pocket costs.