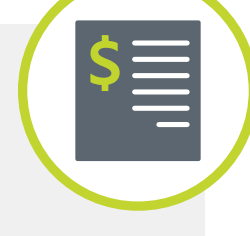


6 Health Insurance Terms You Should Know

We know health care is confusing, so let's clear it up. Here are the most common terms you'll see as you figure out how much you'll pay for your care.

Premium/ Per-Pay-Period Contribution



When Anna looks at her pay stub, she sees her normal tax deductions—FICA and so on—and a **\$76.58 deduction** for “medical.” That’s **how much of her paycheck** goes toward paying for her medical plan.

Definition

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

In-network



John is enrolled in the Aetna HealthSave (HSA) Plan. When he needs to see a doctor, he visits the Aetna website to ensure he finds a doctor that **accepts his insurance** and is also on the **provider list Aetna maintains**—because that means he’ll pay less for his doctor visits.

Definition

A group of doctors, labs, hospitals and other health care providers that your plan contracts with at a set negotiated payment rate. Since your in-network deductible is lower and the rates are already set, you’ll always pay less when you see in-network providers.

Deductible



Brian’s Aetna HealthSave (HSA) medical plan has a **\$1,400 deductible** (in-network). 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	\$75	\$75	\$75
Prescription (brand name)	\$175	\$175	\$250
Urgent care visit	\$300	\$300	\$550
Prescription (generic)	\$90	\$90	\$640
Doctor visit	\$20	\$20	\$840
MRI	\$560	\$560	\$1,400
Specialist visit	\$200	\$20 (10%)	\$1,420
Prescription (generic)	\$100	\$15 (copay)	\$1,435

He’s now paid **\$1,400** and met his medical plan’s in-network **deductible!** From now until the end of the year, his health insurance will pay for most of his medical expenses. Brian will generally pay about **10%** for in-network services the rest of the year.

*Brian also received a deposit into his HSA from Adobe that he can use toward paying his deductible.

Definition

The amount you pay during one calendar year for non-preventive covered health care before your insurance begins to pay.

Coinsurance



Rahul has some blood work done. He doesn’t pay anything when he goes to the lab, but receives a bill later. His bill is pretty small because he’s already **met his deductible** and his medical plan **paid its share first**.

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.

Copay



Cara is enrolled in the Kaiser HMO plan. When she visits her doctor, she pays **\$20 when she checks in**. She won’t receive any bills after her visit because she paid up front.

Definition

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

Out-of-Pocket Maximum



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 afterward 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 everything**.

Definition

This is a cap on your total costs; it is the most you’ll pay in a calendar year for covered health care services. Your out-of-pocket maximum will always be significantly lower if you use in-network providers.

*This cap never includes your contributions, any balance-billed charges from out-of-network providers or health care your plan doesn’t cover.

Putting it all together

Here’s a simple equation that shows how much you’ll pay for health care each year.

$$\begin{array}{r}
 \text{Deductible} \\
 \text{Copays} \\
 \text{Coinsurance} \\
 + \quad (\text{up to out-of-pocket maximum}) \\
 \hline
 + \quad \text{Premium} \\
 \hline
 \text{Your total cost}
 \end{array}$$