

Understanding Insurance Terminology

Term	Definition	Example
Cost Share	Cost Share is any cost <u>you</u> pay for medical services out of your own pocket.	Deductibles, co-insurance, and co-pays are all examples of cost share.
Co-Payment (Co-Pay)	A Co-pay is a flat fee you pay when you go to a doctor, specialist, or get a prescription. Some services may only require the co-pay. For other services, you'll pay both the co-pay plus \$\$ toward your deductible, if you haven't met it. <i>Not all plans have co-pays.</i>	Co-pays for different services can vary, for example, you may have a \$25 copay every time you see your primary care doctor, a \$10 copay for a medication and a \$250 copay for an emergency room visit.
Co-Insurance	Co-insurance is your share of the cost of a medical service <i>after</i> you've met your deductible. It's usually a percentage of the amount charged.	If you have 20% co-insurance, then once you have met your deductible, you pay 20% of a medical bill, and your health insurance covers the rest.
Deductible	A Deductible is the amount of money you must pay before coinsurance begins. <i>Often money spent for co-pays doesn't count toward your deductible.</i>	If you have a \$1,000 deductible, then you must pay \$1,000 before your insurance starts covering costs. It resets every year.
Out-of-Pocket Maximum	Out-of-Pocket Maximum is the most <i>you</i> will pay for medical services in a year. After you spend the out-of-pocket maximum on deductibles and coinsurance, your health plan pays 100% of the costs.	If your out-of-pocket maximum is \$5,000, once you've paid a total of \$5,000 for medical services, your insurance will pay 100%.
In-Network (vs Out-of-Network)	In-Network health care providers have contracts with your insurance company to accept certain negotiated (i.e., discounted) rates.	If your doctor is In-Network, normal copays and coinsurance apply. If they are out of network, you'll pay a higher price, and in some cases, your insurance won't cover it at all (except in emergencies.)