

COST SHARING: Understanding the Difference

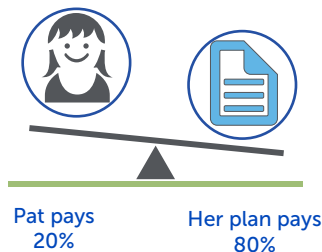
What is a Deductible?



A **Deductible** is the *amount you owe* for health care services (covered on your plan) **before your plan begins to pay**. For example, if your deductible is \$1,000, your plan will not pay anything until you've met the \$1,000 deductible for covered health care services.

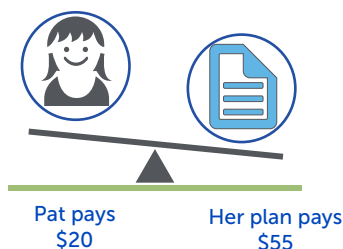
Note: Some preventive services are free.*

What is Coinsurance?



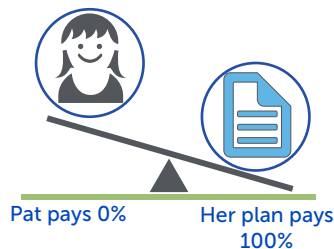
With **Coinsurance**, you *share the costs* of covered health care services calculated as a **percentage** (for example 20%) of the **allowed amount** for the service **plus any deductibles** you owe. For example, if an office visit is \$100 and you've met your deductible, your coinsurance payment of 20% would be \$20. The plan pays the remaining 80% or \$80.

What is a Copay?



A **Copay** is a fixed amount (for example, \$20) you pay for a covered health care service. The amount can vary by the type of covered health care service.

What is Out-of-Pocket Maximum (Safety Net)?



An **Out-of-Pocket Maximum or Safety Net** is the **most you pay** for deductibles and certain copays during a policy period (usually a year) **before your plan begins to pay 100%** of the allowed amount.

Note: Some copays may still apply.*

Here's an Example of How it Works!

Pat's Plan Deductible: \$1,000

Copay: \$20

Out-of-Pocket Limit: \$2,000

January 1st**

Beginning of Coverage Period

December 31st

End of Coverage Period



Pat pays 100% Her plan pays 0%

more costs

Pat hasn't reached her \$1,000 deductible yet.
Her plan doesn't pay any of the costs.
Health care costs*: \$125
Pat pays: \$125
Plan pays: \$0
*preventive services are free



Pat pays \$20 Her plan pays \$55

more costs

Pat reaches her \$1,000 deductible and shares a copay.
Pat has seen a doctor several times and paid \$1,000 in total. Her plan pays some of the costs for the next visit.
Health care costs: \$75
Pat pays: \$20
Plan pays: \$55



Pat pays 0% Her plan pays 100%

Pat reaches her \$2,000 out-of-pocket maximum.
Pat has seen the doctor often and paid \$2,000 in total. Her plan pays the full cost of her covered health care services for the rest of the year.
Health care costs: \$200
Pat pays: \$0
Plan pays: \$200

*Please refer to your membership materials for your specific deductible, copay, coinsurance and out-of-pocket maximums.
**Plan coverage periods may vary by group.