

# Quick guide – finally understand your health insurance costs

## Premium

The monthly bill you pay for your health insurance plan.

For example, you might pay \$50 per month for coverage. The total amount you will pay for your premium (along with your deductible, out-of-pocket max, and coinsurance) is determined by a handful of factors including where you live, your income, and your household size.

## Copayment

The fixed amount you pay for specific health care services.

For example, you might have a \$25 copay when you visit your primary care provider and a \$15 copay when you refill your prescriptions. Once you pay that flat fee, your insurance will cover the rest.

## Deductible

The amount you're required to pay before your insurance starts helping you cover the cost.

For example, if your deductible is \$3,000, once you have paid that amount, your insurance carrier will start covering a certain percentage of your bills. It's also important to know that your deductible usually resets every year on January 1st. However, every plan is different so it's important to read through your policy.

## Coinsurance

The percentage of costs you're responsible for after you hit your deductible and before you reach your out-of-pocket max.

Let's say your coinsurance is 20%. Once you hit your deductible, a \$100 bill will now only cost \$20.

20% of \$100 = \$20

## Out-of-pocket max

The most you will pay during your coverage period (typically 12 months).

For example, if your out-of-pocket max is \$6,000, you will never have to pay over that amount during the year. This includes the amount you spend on copays, coinsurance, and deductibles.