

Deductibles and Co-insurance

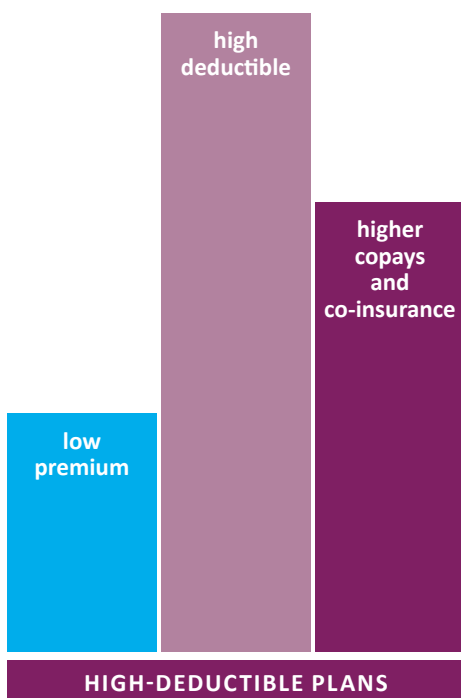
DEDUCTIBLES

Some insurance plans have a deductible. This is a set amount of money that you must pay before the insurance company starts to pay for certain services. When you have a high deductible, your health insurance premium (your monthly bill for health insurance) is often smaller. Some people choose a high deductible if they think they will not need a lot of medical care, because then their monthly payments are lower. Once you reach your deductible for the year, then your insurance company may pay for a larger part of your health care costs. The graphic below may help you understand this better.

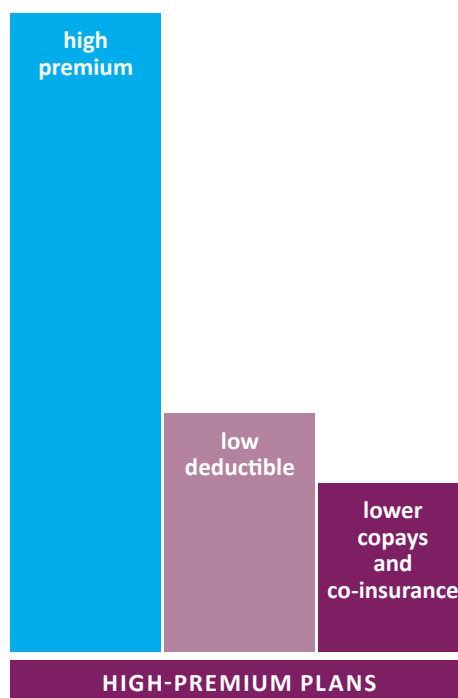
CO-INSURANCE

Depending on your insurance plan, your insurance company might only pay a percentage or a part of your health care costs. For example, if your insurance pays 80% of x-ray costs, and your x-ray is \$100, your insurance will pay \$80 and you pay \$20. Some people choose to pay more for their monthly premium so they will have lower or no co-insurance costs.

HIGH-DEDUCTIBLE PLANS



HIGH-PREMIUM PLANS



LEARNING ABOUT INSURANCE

When you choose which insurance plan you want to buy, part of your choice is about whether you want low or high monthly premiums and copays. Each person or family decides what plan is best for them based on how often they think they will need medical care.

A premium is the amount you pay each month to your insurance company in order to have insurance. When you buy car insurance, for example, you pay the insurance company each month. Health insurance is the same. If you don't pay your health insurance premium, your health insurance will be cancelled.

A copay (co-payment) is a set amount of money you have to pay each time you need medical care—for example, if you see a doctor, get lab tests, or go to the hospital. Different plans have different copays.

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