

How does my **health insurance** work?

What does my “deductible” amount mean?

a specified amount of money that the member must pay during a calendar year before the insurance company will pay towards a claim in the same calendar year

What does my “coinsurance” amount mean?

the portion of claims that the member pays for office visits, urgent care and emergency room visits, and most other medical services, after meeting the deductible for that calendar year and until the out-of-pocket maximum is met for that calendar year



Coinsurance Examples:

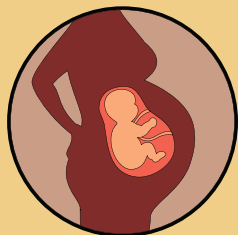
- 30% coinsurance: You pay 100% of your medical costs until you meet your deductible. After that, you pay 30% of your costs and your insurance company pays the remaining 70% until you meet your out-of-pocket maximum. Then, your insurance company pays claims at 100% through the end of the calendar year.
- 0% coinsurance: You pay 100% of your medical costs until you meet your deductible. After that, you pay 0% of costs as you've also met your out-of-pocket maximum. Your insurance company then pays claims at 100% through the end of the calendar year.

What does my “out-of-pocket maximum” amount mean?

a specified amount of money that the member must pay during a calendar year, which may consist of deductibles, coinsurances, and/or copays

May I see an example?

Of course! Let's say Jane is expecting to deliver her baby in February and wants to estimate how much she will owe for the delivery. [Here are some facts to consider:](#)



- Her insurance company says the allowable amount for the professional service is \$2,200 and the facility fee (for the hospital) is \$8,000
- She has a \$2,000 deductible and 30% coinsurance with an out-of-pocket maximum of \$4,400
- She has not paid for any medical expenses in this calendar year yet

What does Jane owe for the professional service?

We'll assume the claim for the professional service is submitted to her insurance first. She pays the first \$2,000 to satisfy her deductible for the calendar year. There is still \$200 of the original \$2,200 charge for the service; she pays 30% of this \$200, which equals another \$60. For this professional service that was originally \$2,200, she was responsible to pay for \$2,060.

What does Jane owe for this facility fee service?

Since she already met her deductible for the calendar year with the professional service above, she's only responsible for 30% coinsurance of the \$8,000 charge for the service, until the out-of-pocket maximum for the calendar year is met.

Since 30% of \$8,000 equals \$2,400, which exceeds her remaining responsibility, she is only responsible to pay \$2,340 for this service.



At this point in the calendar year, Jane's out-of-pocket maximum amount has been met (\$2,060 + \$2,340 = \$4,400), and her insurance company then pays covered claims at 100% through the end of the calendar year.