

THE HEALTH CARE HAMBURGER - A Bite by Bite Analysis

Health plans come in different flavors, but some elements are consistently the same. Below are a few common health care terms that are universal to many plans.

DEDUCTIBLE =

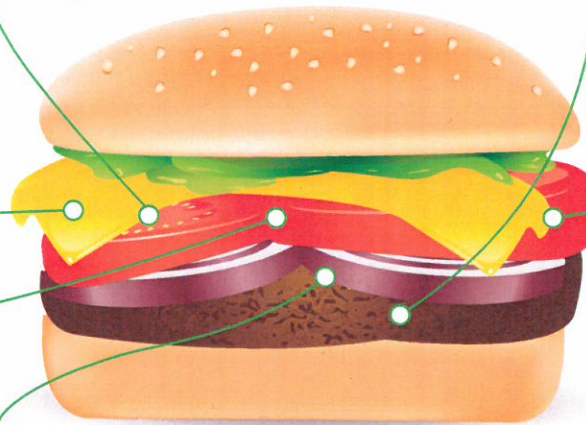
The first bite is all yours – insurance payments don't kick in until the deductible is satisfied. Deductibles can vary depending on if you're treating in or out of network. Your plan might also have an individual deductible and a family deductible to satisfy.

COPAY =

The second bite is often all yours too. Fortunately, it's a smaller bite. This is the amount you pay out of pocket for a given service. For example, prescriptions may have a \$10 copay, office visits may have a \$20 copay, and emergency room visits may have a \$75 copay.

CO-INSURANCE =

After you've swallowed the deductible and the copay, your insurance carrier shares the cost of treatment with you. In most cases, they take the "meat" of the cost – paying a larger percentage such as 75 to 80 percent of treatment costs. You take the "bun" – paying the lesser percentage such as 20 to 25% of the cost.



PREVENTIVE CARE =

Like lettuce and tomato, preventive care is the good stuff you get for free. Health plans want you to be proactive and get regular checkups and immunizations, so often times they pay 100% for these types of services.

OUT-OF-POCKET MAXIMUM =

This is the maximum you will have to pay for a health care service. Usually, there is an individual out-of-pocket max and a family out-of-pocket maximum. This is particularly helpful for high-cost procedures such as complex surgeries. For example, if you needed brain surgery and the total cost was \$250,000 and you had a plan with 20% co-insurance, you could feasibly have to pay \$50,000. Fortunately, your out-of-pocket maximum limits that amount to a more reasonable figure.

LIFETIME MAXIMUM =

This is the maximum amount that a plan will pay for an individual or family. For people with serious illnesses, lifetime maximums can cause serious financial strain. Fortunately, under the Affordable Care Act, lifetime maximums will be going away.

