Navigating Your Benefits

Health Insurance Terms Made Simple



Health insurance comes with its own vocabulary, and knowing a few key terms can help you better understand your coverage, estimate costs, and make informed healthcare decisions.

Deductible: The amount you must pay for covered healthcare services before your health plan begins sharing costs.

- **Example:** If your deductible is $1,500, you'll generally pay the first $1,500 of covered services before coinsurance begins.

Copay: A fixed amount you pay for certain healthcare services, such as doctor visits, specialist appointments, or prescriptions.

- **Example:** $25 for a primary care visit or $10 for a generic prescription.

Coinsurance: Your share of healthcare costs after you've met your deductible. It's usually expressed as a percentage.

- **Example:** If your plan pays 80% and your coinsurance is 20%, you'll pay 20% of the covered service cost.

Out-of-Pocket Maximum: The most you'll pay for covered healthcare services during your plan year.

- **Example:** Once you reach this limit through deductibles, copays, and coinsurance, your health plan typically pays 100% of covered services for the remainder of the plan year.

Did you Know?

Many preventive services, such as annual wellness exams and certain screenings, may be covered at no cost when received from an in-network provider.

In-Network vs. Out-of-Network: In-network providers generally cost less because they have negotiated rates with your health plan. Out-of-network providers may cost more and may not be fully covered.

- **Why it matters:** Staying in-network can help reduce healthcare costs.

Explanation of Benefits (EOB): A statement sent by your insurance company explaining how a claim was processed. An EOB shows services received, what your plan paid, and what you may owe.

- **Remember:** An EOB is not a bill.

Understanding these common health insurance terms can help you navigate your benefits with confidence, avoid unexpected costs, and make the most of your healthcare coverage.

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