

HEALTH INSURANCE 101

We all know how complex and confusing health insurance can be. Below are some common terms and definitions to help you better understand what you have to pay and when. Please look at your plan documents outlining your Health Tradition health plan for specific plan information. Plan documents can be found by logging in to your Maddy Portal account, at **MaddyPortal.com**.

Benefit Year: A benefit year, also called a plan year, is a 12-month period during which you have insurance coverage.

Coinsurance: Coinsurance is a percentage of the cost of a covered service that you pay to your doctor. For example, if your coinsurance is 20% and your bill is \$100, you pay \$20, and Health Tradition pays \$80 (the remaining share). You do not start to pay coinsurance until after you have finished paying your deductible.

Example:

Lisa's deductible is \$1,000. She pays 100% of each bill until she reaches \$1,000.

\$0 **\$1,000**

After meeting her deductible...

Coinsurance applies. Lisa's coinsurance is 20%. Lisa now only pays 20% of each bill and Health Tradition pays the remaining 80%.

0% **100%**

Lisa pays 20% *Health Tradition pays 80%*

This continues until Lisa reaches her maximum out-of-pocket limit of \$5,000.

\$0 **\$5,000**

After meeting her maximum out-of-pocket...

Health Tradition pays 100% through end of the benefit year for covered services.

0% **100%**

Copay: A copay is a fixed dollar amount that you pay for certain services (e.g., office visits, prescriptions) each time you have that service.

Deductible: A deductible is the amount you pay to your doctor or pharmacy for covered services each benefit year before Health Tradition begins to pay.

Maximum Allowable Fee: The maximum allowable fee is the highest amount Health Tradition will pay for a covered service as determined by our Maximum Allowable Fee Schedule. If there is a difference between the maximum allowable fee and what the provider bills, you may be responsible for paying the difference. Generally, this amount will be billed to you from an out-of-network provider; it will not apply for covered services received from an in-network provider. The amount will not count towards your deductible or maximum out-of-pocket limit and you will be responsible for paying any cost-sharing amounts under your plan.

Maximum Out-of-Pocket: The maximum out-of-pocket is the most amount of money you will have to pay each benefit year for covered medical expenses as outlined in your plan document. This includes the amount you pay for copays, deductibles and coinsurance. It does not include your monthly premium. Once the amount of money you have paid equals your maximum out-of-pocket limit for that benefit year, Health Tradition will pay 100% of covered services for the remainder of the benefit year.

Premium: A premium is a monthly payment made to your insurance company for your health insurance coverage. You may pay the insurance company directly, or your employer may deduct money from your paycheck and pay the premium to the insurance company on your behalf.