Deductibles, copayments, and coinsurance

Cost sharing: How it works

When you receive care, you and your health insurance usually each pay some of the cost. That's called cost sharing. How the costs get divided is determined by your benefits. You'll find details about this in your coverage document.

Deductibles, copayments, and coinsurance are all examples of cost sharing. They all provide an amount of money that may apply when you get care. Understanding these terms—and how they work together—will help you know what you owe to your provider.

To see which of these terms apply to your plan, check your coverage document on your secure member site (listed on the back of your Medica ID card). You can also request a copy of your coverage document by calling Customer Service at the number on the back of your Medica ID card, or by ordering online at **Medica.com/OrderPlanMaterials.**

TERM	DEFINITION	FURTHER DETAILS
Deductible	The amount you pay each year before your insurance starts to pay.	If your deductible is $3,000, that's what you'll pay before your insurance starts to pay. Some services such as preventive care may be covered before you pay your deductible. You can track your deductible spending on your secure member site. Note: Most plans have separate deductibles for network and out-of-network care.
	For family plans, there are two types of deductibles (described below). Check your coverage document on your secure member site to see which one your plan has.	
	Each family member has their own deductible, in addition to a shared family deductible. • Once a family member meets their individual deductible, the plan pays benefits for that person – even if the family deductible hasn't been met. • Each family member's expenses count toward the family deductible. • Once the family deductible is met, the plan covers charges for all family members, regardless of whether they've met their individual deductible. ***Example:*** *John has a family of four that he covers on his plan. The plan has a $3,000 individual deductible and a $6,000 family deductible. Once one family member meets their $3,000 individual deductible, plan benefits (such as coinsurance) will apply for that family member only. Once the family meets the $6,000 family deductible, benefits will apply to everyone on the plan for the rest of the plan year—even if they haven't met their individual deductible. Any combination of family members' charges can help meet the family deductible. For example, John can meet the entire deductible himself, or he and his children could meet it.*	
	Everyone on the plan shares one family deductible. • Each family member's expenses count toward the shared deductible. • The entire deductible must be met before the plan pays benefits for any one family member. ***Example:*** *Jane has a family of four that she covers on her plan. The plan has a $6,000 family deductible. The family will have to pay $6,000 toward this deductible before plan benefits (such as coinsurance) apply for anyone on the plan. Any combination of family members' charges can help meet the deductible. For example, Jane could meet the entire deductible herself, or her husband or children could meet it.*	

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TERM	DEFINITION	FURTHER DETAILS
Copayment (copay)	A set amount you pay up front for some services or prescriptions. Depending on your plan, copays may or may not count toward your deductible.	Copays generally apply to office visits and prescription drugs, and the amounts may vary. For example: • Office visit: $30 copay • Urgent care visit: $30 copay • Generic prescription drug: $10 copay
Coinsurance	Your share of the costs of a covered health care service, calculated as a percentage (for example, 20%). If your plan also has a deductible, coinsurance applies after you've met your deductible.	Here's an example of how a deductible and coinsurance work together: **EXAMPLE (IN-NETWORK)** **DEDUCTIBLE = $3,000 | COINSURANCE = 20%** Amount billed: $5,000 Minus deductible amount: -$3,000 Remaining amount: $2,000 Coinsurance (20%): x .20 Coinsurance owed: $400 **Total amount you owe** ($3,000 deductible + $400 coinsurance): **$3,400** You continue to pay coinsurance until you reach your out-of-pocket maximum.
Out-of-pocket maximum	The most you pay in a year for health care services covered by your insurance.	If your out-of-pocket maximum is $6,000 for the year, that's the most you'll pay for covered charges. Once you reach your out-of-pocket maximum, your insurance pays 100% of any additional covered charges for the rest of the year. For family plans, the out-of-pocket maximum works in one of two ways: • Each family member has their own out-of-pocket maximum, in addition to a shared family out-of-pocket maximum. Each family member's expenses count toward their own maximum amount, as well as to the family's amount. Once an individual meets their out-of-pocket maximum, the plan pays 100% of that person's covered expenses. Once the family meets the family out-of-pocket maximum, the plan pays 100% of the entire family's covered expenses. • Everyone on the plan shares one out-of-pocket maximum. Once that amount is met, the plan pays 100% of the entire family's covered expenses. To see which type of out-of-pocket maximum your plan has, or to track your out-of-pocket spending, log on to your secure member site.
Covered services	Services that your plan covers. You and your insurance share the cost of these services.	Costs you pay for covered services count toward your deductible and out-of-pocket maximum. For a complete list of covered services, see your coverage document on your secure member site.
Non-covered services	Services that your plan doesn't cover. You pay the full cost of these services.	Costs you pay for non-covered services don't count toward your deductible or out-of-pocket maximum. Examples of services that aren't covered: • Cosmetic procedures • Experimental treatments or drugs • Refractive eye surgery (e.g., LASIK) For more examples of services that aren't covered, see your coverage document on your secure member site.

Note: Your insurance benefits and cost sharing will vary from examples above. See your coverage document on your secure member site (listed on the back of your Medica ID card) for specific details.

Have a question?

Call Customer Service at the number on the back of your Medica ID card. (TTY: **711**).

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