



Health Insurance Considerations

Quick Vocab:

Premium – What you pay every month for your health insurance bill

Deductible – The amount of money (not including your premium) that you have to pay before your insurance will start paying for anything. You may have a separate out of network deductible.

Copay – a set amount you pay for each appointment after you've reached your deductible. It may be different for your PCP vs a specialist vs a hospital visit

Coinsurance – instead of a copay, you pay a set percentage of what that appointment cost. Most medical appointments aren't billed at a flat rate like therapy appointments. It depends on the complexity of the appointment. So it won't be the same amount every time unless there's a set service fee like when you're going to therapy.

Allowed amount – If your insurance covers the service/appointment, they have an allowed amount that the provider has agreed to be paid. If the provider is in network with the insurance company, it means they've agreed to be paid the allowed amount for that service. This includes while you're paying toward your deductible.

EOB/Explanation of Benefits – When the provider's office has submitted your service/appointment to the insurance company, you should get an EOB. It tells you what the provider billed, what the allowed amount is, and what, if anything, you're responsible for. It's not a bill. If you owe the provider money, the provider will bill you.

Out of pocket max – Once you've paid this amount out of pocket, insurance will pay 100% of all covered services/appointments. You will have paid your deductible & a good amount of copays/coinsurance to reach this amount.

How It Works:

Typically you have to weigh whether you'd rather have a higher monthly payment for health insurance and a lower deductible/lower copay or coinsurance or a lower monthly payment for health insurance and a higher deductible/copay or coinsurance. Your out of pocket max will also be higher or lower depending on the constellation of what your plan offers.

How often you and/or your family members see providers matters. It matters if your chosen providers take your insurance or not and if not, if you can pay out of pocket.

Ultimately, the health insurance companies are going to make money. We just need to find the most economical option for our health situation.

Because of the plans I've chosen in the past, for instance, I've had surgeries and given birth and never reached my out of pocket max. I didn't have to pay the entire amount of that because in the process of those things I have met my deductible.