



BROUGHT TO YOU BY



Insurance Terms to Know When You Buy a Plan

Figuring out what exactly an insurance plan covers can be sort of like taking a foreign language class when you've missed the first week. No one taught us the basic insurance vocabulary growing up, so it can be daunting to try and read through a plan. Below are some basics.

Finding the Right Benefits

- » **Types of benefits:** A healthy young adult should look out for coverage of preventive/primary care visits, prescription drugs, hospitalization, and ER visits. Young women should think about reproductive health needs. Be careful about catastrophic plans that only cover you in the worst cases: if you have a health condition, you need better benefits.
- » **Benefit limits/caps/maximums:** Many health plans only cover medical costs up to a certain amount; for example, some may only cover a certain number of visits to a doctor in a year. Pay attention to these benefit caps before buying a plan. Under the new health care law, insurers can no longer cap how much they will pay for your care over your lifetime. And annual dollar limits on coverage are gradually phased out by 2014.
- » **Pre-existing condition waiting periods or exclusions:** If you have a medical condition before applying for insurance, insurers may not cover your pre-existing condition for a period of time—or at all. In 2014, insurance carriers will no longer be able to discriminate like this.

Calculating Costs

Some terms to know when calculating the costs of insurance and care:

- » **\$200 Premium:** Means you pay \$200 each month to maintain insurance. The premium is typically broken down by monthly payments, but you might also find information about total premiums for a year.
- » **\$1,000 Deductible:** Means you pay \$1,000 for medical care out of pocket before insurance kicks in.
- » **80%/20% Co-insurance:** Insurance company pays 80% and you pay the other 20% when you receive care.
- » **\$15 Co-pay:** You will have to pay a flat fee of \$15 for a service, such as a doctor's visit or a prescription.
- » **\$5,000 Out-of-pocket Maximum:** You won't pay more than \$5,000 out of pocket for medical care in a year (when your deductible, coinsurance and/or co-pays are combined; does not count premiums).

If you see providers that aren't "in-network," your cost and deductible may be higher. Some plans have higher out-of-pocket costs but lower premiums. Look at the whole plan and combined cost. Think about how much you will have to pay if you get really sick or injured.

Have questions? Email us at Questions@YoungInvincibles.org

www.YoungInvincibles.org/GC