

To better understand how your insurance works, you first need to understand the definitions below.

Definitions:

Deductible - The first dollar that you as the member will need to pay outside of a copay in a medical event.

Coinsurance - the percentage that you as the member and the insurance carrier will be responsible after the deductible has been met.

Out-of-pocket max (oop max) - Total amount you as the member are responsible before the insurance will take over and pay at 100%.

Below is an example of how an in-network claim would be paid showing the deductible at \$1,000, the coinsurance as 80/20 (80% as the insurance carrier's responsibility, and 20% as the member's responsibility) and the oop max at \$5,000.

This is a basic example that my not apply to your employer offered plan(s):

Bob fell and broke his leg. After paying his \$250 ER copay Bob's claims are subject to his deductible of \$1,000. Both the \$250 ER copay and \$1,000 deductible are subtracted from his oop max of \$5,000.

This brings his oop max down to \$4,750.

As a follow-up, Bob now needs to have surgery on his leg that costs \$10,000. Since Bob has met his deductible of \$1,000 the coinsurance will now be applicable. This means that of the \$10,000 bill Bob only is responsible for 20% and the insurance carrier will be responsible for 80%. Bob pays \$2,000 which is also subtracted from the current running total of \$4,750 and his new total is \$2,750.

The coinsurance (cost-sharing) from any additional claims and copays will continue to be subtracted from the oop max until the total amount has been satisfied. Once the oop max has been satisfied any additional in-network claims will be covered by the insurance carrier at 100% and at no cost to Bob if all Doctor and or Providers are in-network.

Any out-of-network claims will be applied in the same manner as described above only to the out-of-network deductible, coinsurance, and oop max. The cost for out-of-network claims is usually two to three times higher than in-network claims. Therefore, we always recommend that members utilize their in-network benefits to minimize their cost.

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