



Words to Know

Health insurance has a language all its own.

Here are some insurance terms you should know before buying or using health insurance.

Premium

This is what you pay an insurance company for your health insurance plan. You usually pay your premiums monthly. They can be paid for with cash, money orders, or sometimes credit cards. You need to pay your premium on time to keep your health insurance, similar to paying rent or a cell phone plan.

Deductible

This is what you must pay each year for your health care before the insurance company starts paying its share of the cost. For example, if you have a \$1000 deductible, you would have to pay \$1000 towards your health care costs out of your own pocket before the health insurance company begins paying its share of your costs. Usually, a health insurance plan with a higher deductible costs less and has a lower premium. Plans with lower deductibles usually have a higher premium. Only certain types of health care costs count toward your deductible. Premium payments never do.

Co-insurance

This is your share of the cost of health care that you have to pay, usually after you have paid your deductible each year. For example, if you go to a doctor visit that costs \$100, you may pay \$20 and the health insurance pays \$80. The \$20 you pay is called co-insurance. While some plans have co-insurance, not all do.

Co-payment

This is a fixed amount that you pay each time you see a health care provider. For example, you may pay \$10 each time you see a doctor, \$75 each time you visit an emergency room, and so on. You usually have to pay when you receive the service.

Out of pocket costs

This is what you have to pay for your health care services yourself, with your own money. These costs include deductibles, co-payments and co-insurance, but not premiums.

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Primary care provider

A doctor, physician assistant or nurse practitioner who sees you for common health problems or to prevent or manage illness. They can also help you see a health care specialist such as a heart doctor if you need one.

In-network or “preferred” providers

These are health care providers including doctors, hospitals and pharmacies that you can go to at a lower cost because they are contracted with your insurance company.

Out-of-network or “non-preferred” providers

These are health care providers including doctors, hospitals and pharmacies that usually cost you more to see, because they are NOT contracted with your insurance plan.

Excluded services

These are health care services that your health insurance plan doesn't cover or pay for.

The Cover Arizona Coalition has created a video to help you better understand what these nine common terms mean as you prepare to purchase and use health insurance.

View and share “Health Insurance Words to Know” at www.coveraz.org/health-insurance-words-to-know/



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