Getting Started Understanding Health Insurance Costs

1. Choose a plan with **premiers** that you can afford every month.
   A premium is the **monthly** payment you make to the insurance company for your health care policy.

2. Find a plan that will help you pay the **out-of-pocket costs**.
   Out-of-pocket costs are NOT included in your monthly premium. This is the amount you must pay during a year for your health care in addition to your premium. This includes any deductible, co-pay, co-insurance, or extra costs for services.

   **Deductible:**
   The amount you need to pay before the insurance company will start to pay its part.

   **Co-pay:**
   The fixed amount you pay for a service.

   **Co-insurance:**
   The percentage you pay for a service.

   **Example:**
   Doctor’s visit $100
   You pay $20
   Insurance pays $80

   **Example:**
   Doctor’s visit $100
   You pay $30
   Insurance pays $70

   You pay all (including co-pays)
   Insurance pays part, you pay part

   $ deductible

   After the deductible is paid, you only pay co-pays or co-insurance.

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3. Before you buy a plan, ask:

<table>
<thead>
<tr>
<th>How much will prescriptions cost with this plan?</th>
<th>How much will I pay to see my doctor or a specialist?</th>
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<tbody>
<tr>
<td>What’s my deductible?</td>
<td>What is the co-pay?</td>
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- **Stage 1:** You pay the full amount for all of your health care bills. After you have paid for care equal to the amount of your deductible, you enter stage 2.

- **Stage 2:** You split the cost of care with your insurance company. You only pay for co-pays and co-insurance, and the insurance company pays the rest. After you pay for care equal to the amount of the out-of-pocket max, you enter stage 3.

- **Stage 3:** You pay nothing and your health insurance pays for all of your covered care. If you don’t get much care during the year, you may stay in stage 1 all year. But, you will need to keep paying your monthly premium to keep your plan.