

## Health Insurance

### Definitions

#### ✚ **High Deductible Health Plan (HDHP)**

- Healthcare plan with a deductible that must be met before insurance company starts paying claims. In order to qualify as a high deductible plan it must have a minimum deductible which is set by the I.R.S.

#### ✚ **Health Savings Account (H.S.A.)**

- Savings account used for health care related expenses. Deposits into this account are tax free. In order to qualify for a H.S.A. one must have a HDHP. The I.R.S. caps the maximum amount that can be contributed each year.

#### ✚ **Premium**

- The cost paid to the insurance company for the Healthcare plan. Normally this amount is reflected as a monthly payment.

#### ✚ **Co-pay**

- A co-pay is a **fixed dollar amount** that must be paid by the consumer for health services that are received. Examples include fixed cost for prescriptions or fixed costs for doctor's office visits.

#### ✚ **Co-Insurance**

- A co-insurance is a **percentage** paid by the consumer and a percentage paid by the insurance company for health services that are received. For example, a coinsurance of ten percent means that the consumer pays 10% of the cost of care while the insurance company pays 90%.

#### ✚ **Deductible**

- A fixed dollar amount that must be paid before health insurance begins paying cost of care. For example, if there is a \$2,500 deductible then the first \$2,500 of billed healthcare services are paid by the consumer.

#### ✚ **Maximum Out of Pocket**

- The maximum out of pocket is projected to be the most money a consumer would need to pay for healthcare related services during the plan year. This amount reflects the most that a consumer would pay not the least. Many families never reach their maximum out of pocket.