What You Need to Know About Health Insurance Costs

Health care plans usually will have two main types of costs that you pay— premiums and out-of-pocket costs. Though the exact amount you pay for health care services depends on your specific health plan, most plans use a combination of these two payment types.

The **Premium** is the price you pay every month to your health insurance company, even when you do not go to the doctor. If you have health insurance through your employer, your employer may help you pay this fee monthly, quarterly or yearly to make it more affordable for you.

When you visit the doctor or need health care services, your health insurance company will pay some of the costs and you will pay some of the costs. **Out-of-pocket costs** are the costs that are paid by you instead of your insurance plan. These include:
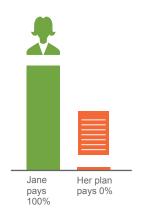
- **Deductible:** The amount of money you pay before your insurance plan will start to pay for any health care services covered by the plan.

  - For example, if your health insurance plan has a $200 deductible, you must pay $200 for your health care services before your insurance will start paying for any covered services.

- **Co-Pay:** A fixed amount that you pay for health care services covered by your plan, like a doctor's visit, usually paid for at the time you get the health care service.

  - For example, you may pay a $25 co-pay every time you visit the doctor and $15 every time you get a prescription. Then, your health plan will pay the rest of the costs for the health care service.

- **Coinsurance:** A type of cost-sharing where you pay a percentage of the total price for a covered health care service, like a lab test, and your insurance company pays the rest. The percentage varies for different health care services in your specific health insurance plan.

  - For example, if your plan's required coinsurance is 20 percent for lab tests, you would owe $20 for a $100 lab test and your insurance company would pay the rest, which is $80.

- **Out-of-Pocket Maximum:** The maximum amount you pay during a policy period, which is usually a year, before your health insurance starts to pay 100 percent of the cost of all covered health care services. Your premium and the cost of health care services that your health insurance plan does not cover will never count toward the out-of-pocket maximum.

How You and Your Insurer Share Costs - EXAMPLE

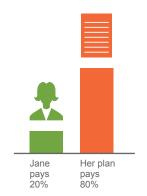**Jane's Plan Deductible: $1500 | Co-Insurance: 20% | Out-of-Pocket Limit: $5,000**

Jane
pays
100%

Her plan
pays 0%

more
costs →

Jane
pays
20%

Her plan
pays
80%

more
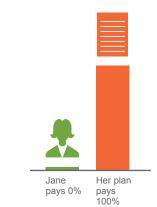costs →

Jane
pays 0%

Her plan
pays
100%

Jane hasn't reached her $1,500 deductible yet
Her plan doesn't pay any of the costs.
Office visit costs: $125
Jane pays: $125
Her plan pays: $0

Jane reaches her $1,500 deductible, co-insurance begins
Jane has seen a doctor several times and paid $1,500 in total. Her plan pays some of the costs for her next visit.
Office visit costs: $75
Jane pays: 20% of $75 = $15
Her plan pays: 80% of $75 = $60

Jane reaches her $5000 out-of-pocket limit
Jane has seen the doctor often and paid $5,000 in total. Her plan pays the full cost of her covered health care services for the rest of the year.
Office visit costs: $200
Jane pays: $0
Her plan pays: $200

January 1st
Beginning of Coverage Period

December 31st
End of Coverage Period

To learn more, visit www.GetCoveredIllinois.gov or call the toll-free Help Desk at (866) 311-1119, open seven days a week from 8 a.m. to 8 p.m.