



OUT-OF-POCKET COSTS

Paying your health insurance premium every month keeps you covered. Other costs may include a deductible, co-pay, and co-insurance.

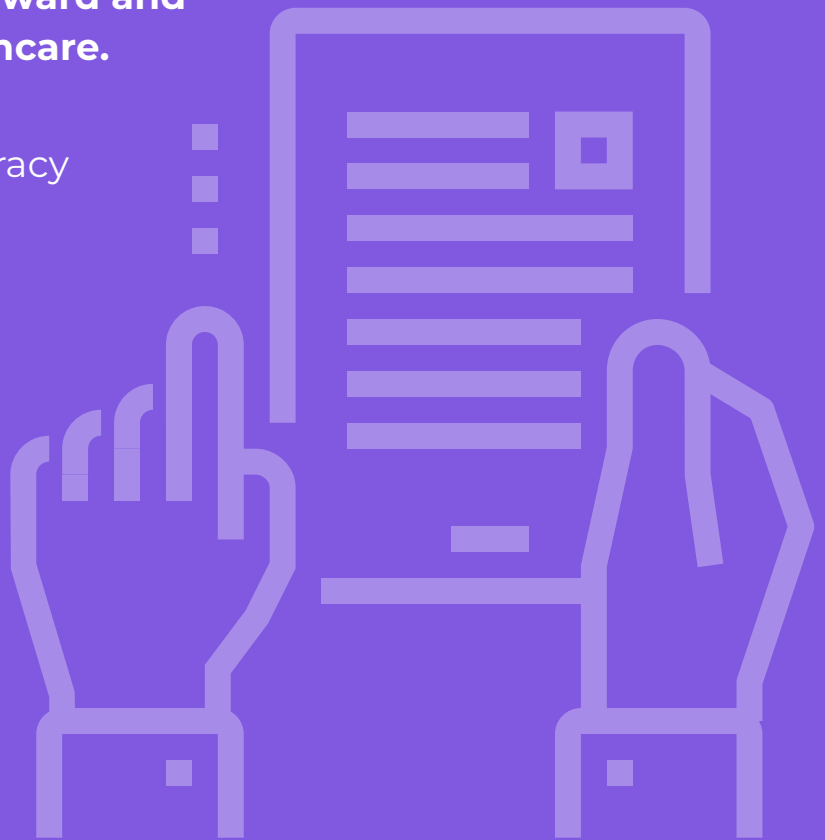
Learn more about these costs to help you plan and budget for your care.



WELL INFORMED

Everyone deserves straightforward and clear information about healthcare.

Well+Informed is a health literacy series dedicated to providing patients and providers with straightforward explanations to complicated healthcare topics.



Takeda is dedicated to providing accessible education for patients and healthcare personnel.



Sharing the **cost**



When you need to use your health coverage, think of it like car insurance. You make a payment every month to keep you and your family covered. If you need care, in most cases you will also owe a portion of the total cost of each visit or procedure. This is called **cost sharing** or **out-of-pocket costs**, and it can include a **deductible**, a **co-pay**, and/or **co-insurance**.

<u>Premium</u>	<u>Deductible</u>	<u>Co-pay</u>	<u>Co-insurance</u>	<u>Max spend</u>
The amount you pay every month for healthcare coverage	The amount you need to pay toward your healthcare costs before your plan begins to pay	A set amount you pay for your medical expenses	A percentage you pay for your medical expenses	The most you have to pay for covered services in a year



It's situational

Know what your specific plan covers and pays for, and be prepared to pay at least some portion of:

- Doctor's visits
- Surgeries
- Labs and X-rays
- Prescriptions
- Physical therapy and mental health visits

Plan ahead



Now that you're familiar with the terms, the next step is knowing how your plan handles each of the components that make up your cost share. This will depend on whether you have a high- or low-deductible plan with a combined or separate prescription deductible.



High vs low deductible

High-deductible plan: Your monthly premium is usually lower but requires more out-of-pocket spending before your plan starts paying for care.

Low-deductible plan: Usually offers more predictable costs and often more generous coverage but typically has higher premiums.



Combined vs separate prescription deductible

Combined deductible: Everything you spend out of your own pocket for medical care and prescriptions counts toward your total.

Separate prescription deductible: Only what you pay for medications counts toward the deductible. Once you meet this amount, you'll get coverage and reimbursements based on your plan guidelines.



MEDICARE MATTERS

If you have Original Medicare (Parts A and B): The cost sharing for all Medicare plans works differently. If you have a Medicare plan, see the Medicare resource in this series for a detailed breakdown of how your cost sharing works.

Cost sharing in action



Meet Jessie and Ollie. They are going to show you how their cost sharing works based on the health plan they have.



Jessie

Jessie is a single 30-year-old with seasonal allergies who doesn't normally need much more than a yearly checkup, some lab work, and 2 specialist visits to the allergist each year.

HIGH-DEDUCTIBLE PLAN

Medical deductible: \$2,000

- **\$300 for 2 doctor's visits**
(high-deductible plans typically don't have co-pays so you pay out of pocket until you meet your deductible)
- **\$200 for lab work**
- **No surgeries**

Yearly spend:
\$300+\$200=\$500
Deductible not met



Ollie

Ollie is married with 3 kids: 2 in middle school and 1 in high school. All 3 play sports, and 1 has type 1 diabetes. Both Ollie and their spouse are in good health, though they tend to have a number of specialist visits during the year.

LOW-DEDUCTIBLE PLAN

Medical deductible: \$500

- **\$100 for 4 doctor's visits**
(\$25 co-pay for each visit)
- **\$200 for 4 specialist visits**
(\$50 co-pay for each visit)
- **\$100 for X-ray for broken arm**
- **\$0 co-pay for emergency room visit**

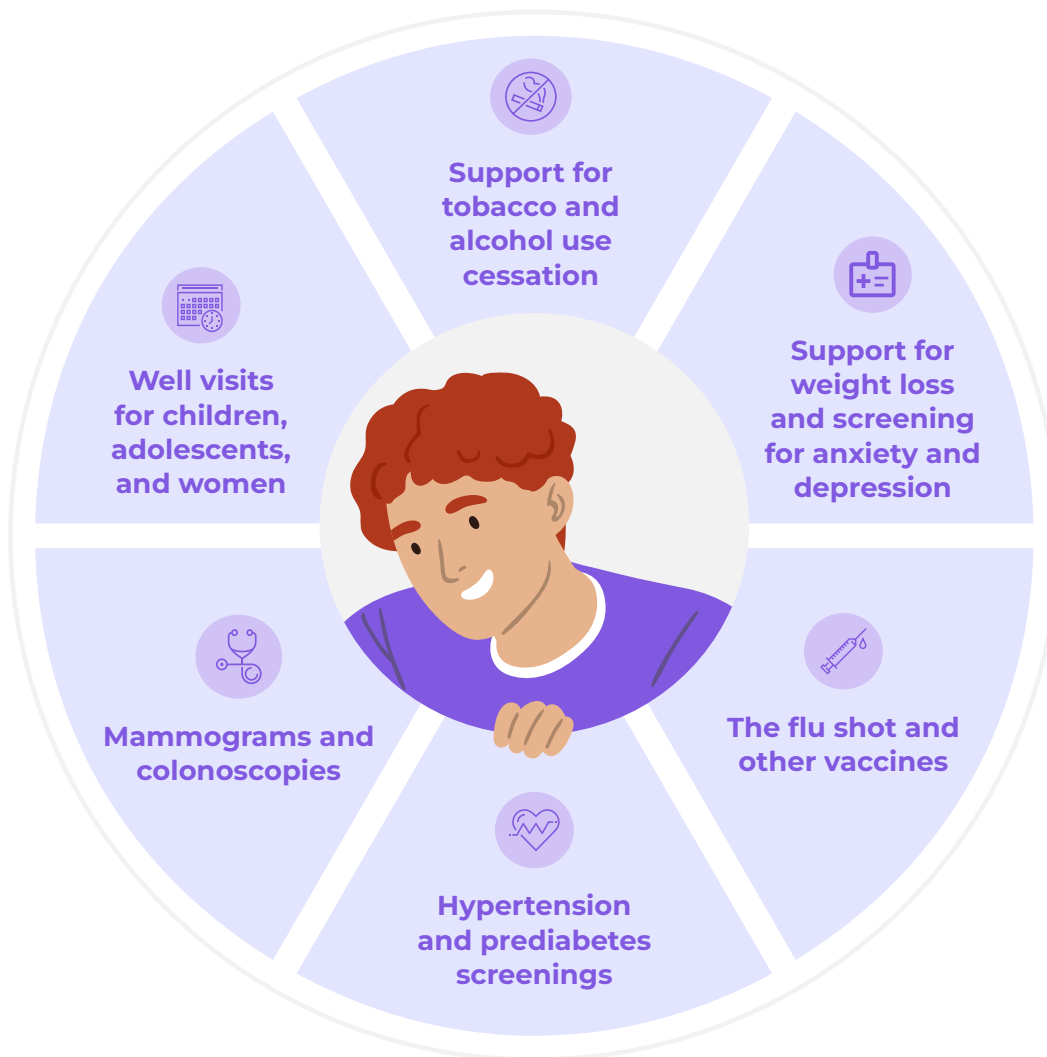
Yearly spend:
\$100+\$200+\$100=\$400
Deductible not met

After you receive care, keep an eye out for your explanation of benefits (EOB) either in the mail or online. It details how much your plan paid for your care and how much you'll owe when you get a final bill from your provider.

Take care of yourself



The Affordable Care Act of 2010 (also known as the ACA or Obamacare) now requires most health plans to cover certain services at no cost to you. Here are some things you likely won't have to pay for each year to take care of yourself:



Typically you must see a doctor in your plan's network and be sure the preventive service is the primary reason for your visit. Check your plan for more details.



A helping hand

If you need help covering medical or prescription costs, here are some programs designed to do just that.

MEDICAID

This insurance program provides free or low-cost health coverage to some low-income people, families and children, pregnant women, older adults, and people with disabilities. Check with your state for specific qualifications.

MEDICATION CO-PAY ASSISTANCE

See if the drug company that manufactures your medication offers a co-pay savings program (also called a co-pay coupon or co-pay assistance card), which helps offset your out-of-pocket costs. These programs typically cover medications that don't have a generic version and can't be used with government health plans like Medicare and Medicaid due to federal regulations.

RXASSIST

Find out about free and low-cost medications and other ways to manage your medications at rxassist.org.

THE MARKETPLACE

If you don't get coverage through your employer or Medicare, see if you qualify for a lower-cost ACA plan at healthcare.gov.

EXTRA HELP

If you're on Medicare and meet certain low-income requirements, you could get help paying for your prescription drug coverage (Part D), monthly premium, any yearly deductible, co-insurance, and co-pays. To find out more and apply, visit www.ssa.gov/benefits/medicare/prescriptionhelp.html or call 1-800-772-1213 (TTY 1-800-325-0778).

CHILDREN'S HEALTH INSURANCE PROGRAM

CHIP provides health coverage to eligible children through both Medicaid and separate CHIP programs. It is administered by states.



Know **before** you go



Even if you feel confident about knowing the ins and outs of your plan and what it covers, it's always a good idea to double-check before you go to the doctor or fill a prescription. Here are some best practices.

- Check your insurance plan's provider directory or call ahead before you get care to make sure your doctors are in network, which saves you money.
- Make sure your pharmacy is in your network before you get prescriptions filled. You can also ask the pharmacy to let you know ahead of time how much a drug will cost based on your coverage. That way you won't have any surprises when you go to pick it up.
- See if your plan offers home delivery.
- Before starting a new medication, call the customer service number on your insurance ID card to ask specifically how any drug manufacturer assistance will be applied toward your deductible. Then you'll know how much you'll pay each time you go to the pharmacy.

