

CO-PAYS, DEDUCTIBLES & ALLOWABLES OH MY!

Understanding your health insurance benefits can be confusing. Premiums, co-insurance, deductibles, out of pocket expenses, in network benefits, out of network benefits, individual deductible, family deductible, covered and non-covered services and allowable. Phew! What does it all mean and how do I know what I will have to pay for?

First, you need to understand Health Insurance Terms and know your policy.

Premium

The premium is the amount you pay to have an insurance plan. The cost will vary by person. You pay your portion of the premium even if you don't use medical care that month.

Deductible

The deductible is the amount you pay for care before the insurance company starts to pay its share of medical costs. Once you meet your deductible, your insurance company begins to cover some or all the costs of your care.

Family Deductible

If the plan is for family coverage, the deductible can be designed as either an embedded or non-embedded deductible. Knowing which one you have and how it works will help you plan for out of pocket health care expenses.

Embedded Deductibles

They have two components, the individual deductibles for each family member and the family deductible. When a family member meets his or her individual deductible, the insurance company will begin paying accordingly to the plans coverage for that member. If only one person meets an individual deductible, the rest of the family still must pay their deductible.

Out of pocket expenses used to meet an individual deductible are also counted toward family deductible. The family deductible is usually two – four times larger than individual deductible. Co-insurance and co-pays do not count towards family deductible.

Non-Embedded Deductibles

With a non-embedded deductible, there is only a family deductible. All out of pocket expenses count toward the family deductible until it is met; after which then everyone is covered with the health plan's usual copays or coinsurance. One person can incur all expenses that meet the deductible.

Out of Pocket Expenses

Out of pocket refers to the insureds personal cost. It can include co-payment, coinsurance or a deductible. Out of

pocket maximum refers to the total out of pocket cost for the whole year.

Allowable

The negotiated fee for service a medical person or facility can charge you based on your insurance companies allowable schedule.

In Network Benefits

If your doctor is part of your insurance companies network, you receive reduced rates.

Out of Network Benefits

If your doctor or healthcare facility is not part of your insurance companies network, you pay a higher rate.

Non-Covered Services

Non-covered services are just that. You are responsible for entire payment and may be able to negotiate a cash payment prior to services.

Co-Insurance

Is a shared cost between the insured and the insurance company for healthcare coverage. It is a percentage of the payment AFTER the deductible is met. It is often split, where the insured pays a certain percentage and the insurance company pays the rest. Do not confuse this with the deductible that is due prior to co-insurance kicking in.

Coordination of Benefits

Coordination of benefits is when health insurance benefits are available to a person from different sources. Such as your spouse or parent. Your health insurance provider will review the various coverages available and arrange payments accordingly. If only one source of health insurance is available then coordination of benefits does not apply.

Example of Deductible with Single Coverage Health Insurance

Ann has a \$500 deductible. She has a consultation with Dr. Mamedov for sleep apnea and her in-network allowable is \$100. Ann would be responsible for the \$100 out of pocket expense in full at time of service and her insurance company would be billed. The in-network allowable would be applied to her deductible. Her remaining deductible would now be \$400.

Dr. Mamedov refers Ann to have an overnight polysomnogram to detect sleep apnea. Her in-network insurance allowable for testing is \$500. Ann would be responsible for \$400 prior to testing. Once her test is complete her insurance company is billed and they would pay the remaining \$100 balance.

Ann's deductible is now met.

Ann schedules an appointment with Dr. Mamedov to review results and discuss treatment. Ann's insurance deductible has been met but she has a \$20 co-pay for office visits. Ann will have to pay \$20 for the visit.

Dr. Mamedov diagnoses Ann with Obstructive Sleep Apnea and schedules Ann for a CPAP titration test. The in-network cost for testing is \$600. Ann's deductible has been met but she has an 80/20 co-insurance clause on her policy and is now responsible for 20% of the test. Ann will have to pay \$120 and her insurance company will pay \$480.

If Ann's policy has 100% coverage after deductible is met, Ann would not owe any out of pocket expenses for the results visit or the CPAP titration test.

Example of Coordination of Benefits and Co-Insurance with deductible

You take the total amount of the cost, less the deductible. The amount you are left with is the amount that the co-insurance clause will apply to.

Example: You have a \$1,200 medical bill with a \$200 deductible and an 80/20 co-insurance clause.

Medical services	\$1200
Less Deductible	-\$200
Equals	\$1000

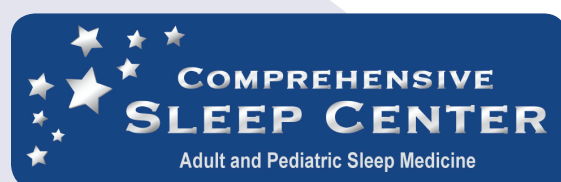
Based on the 80/20, you would pay 20 percent (\$200) and the insurance company would pay 80 percent (\$800) of the balance. You would also pay the \$200 deductible.

Insurance company pays \$800 and you pay \$400. If you don't understand your benefits you should call your insurance company phone number located on the back of your insurance card.

Food for Thought

Comprehensive Sleep Center's negotiated allowable schedule is lower than other testing facilities; therefore, more affordable for patients with sleep disorders. Comprehensive Sleep Center offers the same treatment and standards as hospital based sleep labs and is open 7 nights per week.

Call Comprehensive Sleep Center to schedule your appointment with Dr. Mamedov at 517.755.6888. Our office personnel would be happy to review your insurance benefits notify you of cost before appointment.



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