

# Health Insurance Definitions

**Deductibles**: The cumulative amount that you must pay in the plan year before benefits will be paid by the plan. If the plan has a \$300 deductible, the plan begins to pay after you pay the first \$300.

▪ **Coinsurance**: The percentage of a covered expense that you pay after the satisfaction of any applicable deductible. It is a defined percentage of the covered charges for services rendered. For example, the plan may pay 80% of covered services, and you pay 20% of the contracted rate (in-network).

▪ **Copays (Copayments)**: The fixed-dollar amount you are required to pay each time a particular service is used. A co-payment may be \$10 for a prescription drug.

▪ **Annual Out of Pocket Maximum**: the maximum amount of deductible and coinsurance during any plan year that you pay for eligible expenses before the plan will start to pay 100% of covered expenses for the balance of the plan year.