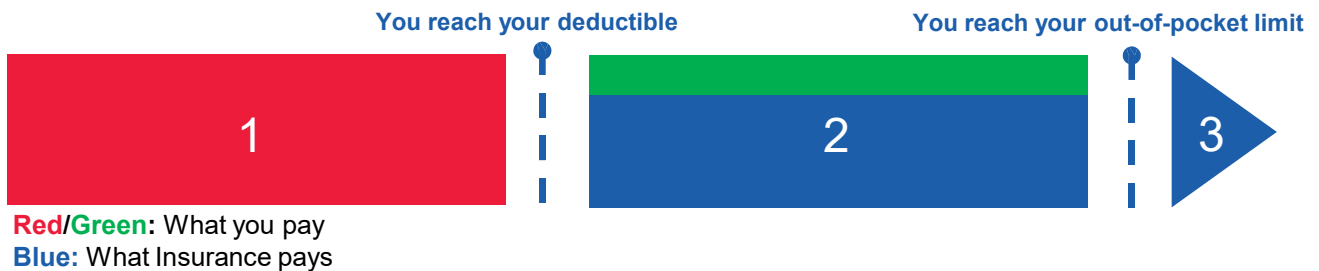


HOW DEDUCTIBLES & COINSURANCE WORKS

1. A **Deductible** is the amount you owe for services before insurance begins to pay.
2. **Coinsurance** is your share of the costs of a covered health care service, calculated as a percent, after you satisfy the deductible.
3. Once you meet your deductible, you'll pay 20% of the total cost (called coinsurance).
4. You continue to pay 20% for specific services until you have met your out of pocket maximum.
5. Once you reach your out-of-pocket maximum, your medical costs are covered at 100%! (excluding pharmacy/RX)

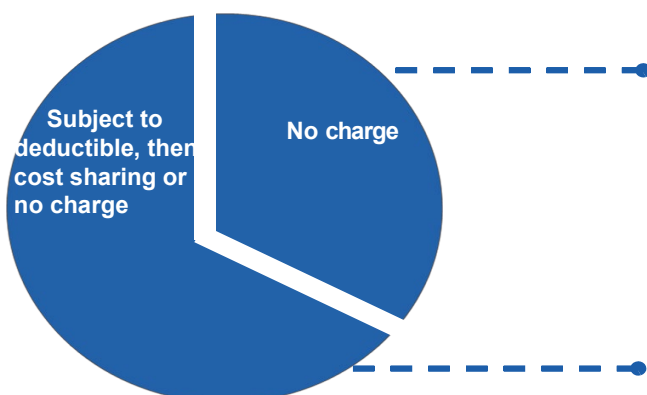


Coinsurance Scenario

Jim from CIEE is enrolled in the employee only coverage and was hospitalized after an accident. The total cost of the hospitalization came out to be \$5,000. This was the first claim that Jim had so far this year that is subject to the deductible. Jim would first need to satisfy the \$500 deductible. The remaining \$4,500 of the bill will be subject to coinsurance which means that Jim must pay **20%** of the remaining \$4,500 bill which is equal to **\$900**. In total, Jim will need to pay **\$1,400 (\$500 Deductible + \$900 Coinsurance = \$1,400)** toward the \$5,000 bill for the hospitalization.

Later in the year in June, Jim has his annual preventative exam. Then in July he injures his leg and receives an X-ray that shows his knee is broken and needs surgery. He has an in-patient hospital stay and follow-up appointments. When all the claims for the X-ray are submitted and paid, his claims total \$6000 of which Jim pays a total of \$850 and Insurance pays the remaining balance. This was the second claim that Jim had so far this year and it was not subject to the deductible as it was already satisfied.

The \$6,000 bill will be subject to coinsurance which means **20%** of the bill at \$1,200. Jim will only need to pay **\$850** to meet his out of pocket maximum. **(\$1400 previous claim + \$850 Coinsurance = \$2,250)**.



Preventive tests and services, including:

- Adult annual visits
- Well child visits
- Immunizations, including flu shots (for children and adults as appropriate)

Other medical services, including:

- Diagnostic procedures, including lab tests, CT, PET, MRIs and major diagnostic imaging and X-rays
- Treatments and procedures
- All inpatient hospital services, including maternity
- Hospital outpatient department services and day surgery
- Exams for illness or injuries