

HEALTH INSURANCE CONCEPTS SIMPLIFIED

Getting health insurance can be done by signing up through your job, a government program like Medicare or Medicaid, or buying it directly from an insurance company. Regardless of how you acquire health insurance, you will need to know how the various aspects of any insurance plan affect your care.



Premium

Your premium is the regular monthly amount you pay to keep your coverage active. This payment is required even if you don't use any medical services that month. This is like a membership fee.



Cost-Sharing

When you need medical care, like visiting a doctor or picking up a prescription, health insurance helps to cover the cost. You may have to pay part of the cost yourself out of pocket, which is called "cost-sharing." This includes your premium, [deductible](#), [copayments](#), and [coinsurance](#).



Networks

Health insurance companies may work with a preferred list of doctors, hospitals and pharmacies to provide medical care, called a "network." It usually costs less to see providers within this network.



Covered Services

Health insurance plans cover medical procedures, services like annual check-ups and vaccinations, and treatments. Not everything is covered, though, so it is important to check what is included in your plan.



Prior Approval

Before you can get certain treatments or procedures, your insurance company may need to approve them. This is called "prior authorization." Usually, your doctor will take care of the paperwork for you, but you can confirm with your insurance company.



Explanation of Benefits (EOB)

After you receive medical care, you will receive an Explanation of Benefits (EOB), which shows details about how much the provider charged or services cost, how much insurance will pay, and the amount you need to pay out of pocket. **EOBs are not bills.** Always read your EOB before paying your bills. The amount you owe on the EOB should match the bill you receive from the doctor's office. If not, ask before you pay.



Medical Bill

When you get a bill from your provider or facility, compare it with the Explanation of Benefits. The amount your insurance company says you owe should match what your bill says you need to pay.



Open Enrollment

Each year, you have the chance to review and change your health insurance plan during a period called "open enrollment." This is when you can sign up, change plans, look at other options or continue as is.