HOW “TYPICAL” HEALTH INSURANCE WORKS

1. Plan Year Starts
   - Patient gets routine preventive care
     - No cost to patient.
     - But, Providers are paid standard amounts

2. Patient gets additional needed care
   - Full Cost paid by patient until the sum equals “Deductible” threshold

3. Patient gets more needed care
   - “Copay” paid by patient until the sum equals “Annual Out of Pocket Maximum”

4. Patient gets more needed care
   - Allowable Costs paid by insurance until the sum equals “Lifetime Maximum”

5. Next year the annual process and amount will start again
6. Plan Year Ends

Doctors, Hospital care, Emergency Medications, Images, Therapy, Labs

Preventive and Acute care

References: