5 things to know about health insurance

1. Different health insurance policies can offer different benefits, and some can limit which doctors, hospitals, or other providers you can use.
2. You may have to pay coinsurance or a copayment as your share of the cost when you get a medical service, like a doctor visit, hospital outpatient visit, or a prescription. Coinsurance is usually a percentage amount (for example, 20% of the total cost). A copayment is usually a fixed amount (for example, you might pay $10 or $20 for a prescription or doctor visit).
3. You may have to pay a deductible each plan year before your insurance company starts to pay for care you get. For example, let's say you have a $200 deductible. You go to the emergency room and the total cost is $1,250. You pay the first $200 to cover the deductible, and then your insurance starts to pay its share.
4. Health insurance plans contract with networks of hospitals, doctors, pharmacies, and health care providers to take care of people in the plan. Depending on the type of policy you buy, your plan might only pay for your care when you get it from a provider in the plan's network, or you may have to pay a bigger share of the bill.
5. You might see products that look and sound like health insurance, but don't give you the same protection as full health insurance. Some policies only cover certain diseases or if you've been hurt in an accident. Some only offer you discounts on health services. Don't mistake insurance-like products for full comprehensive insurance protection.

Get more information about how insurance works at **HealthCare.gov**. You can also call the Health Insurance Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325.

DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

Health Insurance Marketplace

CMS Product No. 11631
Revised August 2014

The Value of Health Insurance

Health coverage helps pay costs when you need care

No one plans to get sick or hurt, but most people need medical care at some point. Health coverage helps pay for these costs and protects you from very high expenses.

What is health insurance?

Health insurance is a contract between you and an insurance company. You buy a plan, and the company agrees to pay part of your medical costs when you get sick or hurt.

There are other important benefits of health insurance. Plans available in the Health Insurance Marketplace (and most other plans) provide free preventive care, like vaccines and check-ups. They also cover some costs for prescription drugs.

Health insurance helps you pay for care

Did you know the average cost of a 3-day hospital stay is $30,000? Or that fixing a broken leg can cost up to $7,500? Having health coverage can help protect you from high, unexpected costs like these.

Your insurance policy or summary of benefits and coverage will show what types of care, treatments, and services your plan covers, including how much the insurance company will pay for different treatments in different situations.

What you pay for health insurance

You'll usually pay a premium every month for health coverage, and you may also have to meet a deductible once each year before the insurance company starts to pay its share. A deductible is the amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is $1,000, your plan won't pay anything until you've met your $1,000 deductible for covered health care services subject to the deductible.

The deductible may not apply to all services.

How much you pay for your premium and deductible is based on the type of coverage you have.

Just as important as the premium cost is how much you have to pay when you get services.

Examples include:

- How much you pay for care before your insurance company starts to pay its share (a deductible)
- What you pay out-of-pocket for services after you pay the deductible (coinsurance or copayments)
- How much in total you'll have to pay if you get sick (the out-of-pocket maximum)

The policy with the cheapest premium may not cover many services and treatments.