

How to determine your health insurance's true costs

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(HealthDay)—Having health insurance is essential, especially for

catastrophic situations. But it's important to choose a plan carefully because your costs can go well beyond the monthly premium. Knowing key terms will help you calculate potential expenses more accurately.

First is your deductible, the dollar amount you'll pay before [insurance](#) covers anything other than [preventive services](#). "High-deductible" plans have lower monthly premiums and some cover 100 percent of costs after the deductible has been met, but that deductible can be many thousands of dollars.

After you reach the deductible, you might still have co-pays and co-insurance. Your co-pay is the set amount that you pay at doctor visits and for many prescriptions. Typically, there might be a co-pay of \$15 or \$25 to see your primary care doctor, \$30 or more to see a specialist. Drug co-pays often vary based on factors like generics versus brand names; some expensive drugs may be subject to co-insurance.

Having co-insurance means you'll pay a fixed percentage of the cost of services—for instance, between 20 and 30 percent for items such as tests, hospital stays and surgeries, up to a certain dollar limit. That limit is the out-of-pocket maximum and it caps the total amount of money you would ever have to pay in a given calendar year, counting the deductible, co-pays and co-insurance. Once you reach that maximum, insurance covers any further claims at 100 percent.

Keep in mind that your [costs](#), including the full out-of-pocket maximum, will be lower for "in-network providers"—[doctors](#), hospitals and other facilities that have negotiated rates with your insurance company—and higher if you choose to go out-of-network.

You can switch plans at the start of a new calendar year or if you have a certain change in life circumstance during the year, such as losing a job or being hired for a new one. Keep careful track of what you spend on

medical bills for the current year and whether you meet your deductible and out-of-pocket maximum to help determine if you should change any of these variables with a new plan when the next enrollment period starts.

These totals will also help you decide how much to contribute to a health savings account (HSA), if offered by your plan. An HSA allows you to put pre-tax money aside to cover all those out-of-pocket expenses.

More information: Healthcare.gov has a [glossary](#) with dozens of insurance terms to help you navigate a policy.

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