

# What You Need to Know

## High Deductible Health Plans

High Deductible Health Plans (HDHPs) are growing in popularity because they offer a low monthly premium. Prices are kept low by having a high deductible, or the amount you have to pay before health insurance kicks in. People who are enrolled in HDHP's can choose to set up a Health Savings Account (HSA) which an employer may or may not contribute to. HSA's are a way to save for health related expenses tax free but there are limits to how much money can be deposited in one year and what types of expenses the funds can be used for. What makes HDHP's different from more traditional health insurance plans is that typically HDHPs do not cover any services or prescriptions until the deductible is met, with the exception of those items mandated by law such as a yearly annual exam. It is important for families who have children with special healthcare needs to know they will have to pay for most appointments and prescriptions until the deductible is met, and then there maybe additional charges in the form of co-payments and co-insurance. Families need to balance the cost of the monthly premium with how much they will have to pay out of pocket for medical care.

**Have questions? Call us!**

**We are here to help!**

**800-852-3345 x4525**

**603-271-4525**

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**Premium** The amount that must be paid for your health insurance or plan. You and/or your employer usually pay it monthly, quarterly or yearly.

**Deductible** 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 \$1000, your plan won't pay anything until you've met your \$1000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

**Co-payment** A fixed amount (for example, \$15) you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.

**Co-insurance** Your share of the costs of a covered health care service, calculated as a percent (for example, 20%) of the allowed amount for the service. You pay co-insurance plus any deductibles you owe. For example, if the health insurance or plan's allowed amount for an office visit is \$100 and you've met your deductible, your co-insurance payment of 20% would be \$20. The health insurance or plan pays the rest of the allowed amount.

**Out-of-Pocket Limit** The most you pay during a policy period before your health insurance or plan begins to pay 100% of the allowed amount. This limit never includes your premium or health care your health insurance or plan doesn't cover. Some health insurance or plans don't count all of your co-payments, deductibles, co-insurance payments, out-of-network payments or other expenses toward this limit.

**Excluded Services** Health care services that your health insurance or plan doesn't pay for or cover.