

# HEALTH INSURANCE BASICS

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## Deductible

Your deductible is the fixed dollar amount that you must pay before your health insurance plan pays its portion of your medical bills.

For example, if you have a health insurance plan with an annual deductible of \$200 and an 80% coverage level, you must pay \$200 worth of the medical bill before your health plan will pay its 80% share of the costs. After you have paid \$200 in medical bills, the insurance company should cover the rest of your eligible medical expenses at 80% for the remainder of the year.

Deductible amounts vary from plan to plan. Generally, higher deductible plans cost less than plans with lower deductibles. So which is better, an insurance plan with a high deductible and low premiums or a plan with a low deductible but high premiums? The answer depends on several factors like – your overall health, how often you get medical care and your finances.

Figuring out the proper deductible is a personal choice that depends heavily on your medical and financial needs.

