

Making sense

Explaining common insurance terms



Tip:

In-network preventive care is 100 percent free for MESSA members, with no copayments or coinsurance.

MESSA field representatives and member service specialists often receive questions from members about the differences between deductibles, copayments and premiums, among other insurance terms.

Here's a quick guide to help you learn the differences. As always, don't hesitate to contact MESSA's East Lansing Member Service Center at 800.336.0013 with any questions.

Deductible

A deductible is the amount you pay each calendar year for non-preventive services before your insurance begins to pay. Certain preventive services are free and not subject to the deductible.

Copayment

A copayment is a fixed dollar amount you pay at the time of service. MESSA Choices members pay copayments for office visits, urgent care, emergency room visits and prescription drugs. MESSA ABC members do not pay copayments, except for prescription drugs. There is no copayment for preventive services like annual physicals or cancer screenings, when seeing an in-network provider.

Premium

The premium is the cost of the health plan, paid by you and your employer to the insurer. Your share of the premium is generally deducted from your paycheck, and sent to the insurer by the employer.

Coinsurance

Coinsurance is a percentage amount you must pay after your deductible is met.

Out-of-pocket maximum

Your annual out-of-pocket maximum includes money you pay toward your deductible, copayments and coinsurance. The maximum amount you will pay for in-network services is your in-network deductible, plus \$1,000 (for single coverage) or \$2,000 (for two-person/family coverage). The amount you will pay for out-of-network services is your out-of-network deductible, plus \$2,000 (for single coverage) or \$4,000 (for two-person/family coverage).

Once you have met your annual in-network, out-of-pocket maximum, no more copayments or coinsurance will be required for the remainder of the calendar year, provided the services are covered and provided by an in-network provider.