

The Most Empowering Healthcare Terms You Need to Know

77% of American adults rate at or below basic health literacy levels. This can impact workforce health and productivity. Local health benefits broker and NAO business partner, Nonstop Administration & Insurance Services, Inc., has created this easy-to-understand guide because health literacy is an important resource and Nonstop is committed to educating and supporting nonprofits.

Do you know what cost-sharing means?

This is the share of costs you're paying out of your own pocket for your medical expenses. This is an "umbrella term" that includes things like deductibles, coinsurance, and copays. Keep in mind—this term is not used to refer to your health insurance premiums.



Out-of-pocket maximum: It's critical to know what your total exposure to out-of-pocket costs is

Your health insurance plan will have a total out-of-pocket cost that must be met before your health plan kicks in and pays 100% of covered services. Out-of-pocket costs include copayments, deductibles, and coinsurance for covered services and are usually the responsibility of the healthcare consumer.



Coinsurance vs. Copayment: Do you know the difference?

%

Coinsurance

The percentage you will pay for a covered medical expense after you have met your deductible. For example, a 20% coinsurance charge means that you'll pay 20% of your costs for a medical service after your insurance has paid 80%. Coinsurance usually takes effect after your deductible has been met.

\$

Copayment

A pre-set rate for a covered medical expense that must be paid at the time service is rendered. For example, your health insurance plan may require you to pay a \$15 copay on a regular prescription, or \$25 on a visit to your doctor.

Do you know what your deductible is?

A deductible is the amount you must pay before your medical plan starts sharing costs for qualified health services. After that, you only pay pre-set coinsurance or copayment amounts for things like doctor visits or other covered expenses, up to your out-of-pocket maximum.



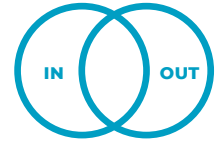
Explanation of Benefits: Learn how they benefit you

An Explanation of Benefits (EOB) is what your medical care provider sends you after a visit to explain the cost of your claims, the date of services rendered to you, and how much you or your insurance carrier have paid towards that expense. If there are things on your EOB you're unsure about, don't hesitate to reach out to your provider or their billing offices.



In-Network vs. Out-of-Network: Not knowing the difference could cost you

Do you know if the doctor you're about to see is inside or outside of your health insurance provider network? Pay close attention to whether your chosen provider is in or outside of your network because this can have a significant impact on how much you pay for those office visits, tests, and other related expenses.



Do you know what kind of tax-advantaged account you have?

Enrollment in tax-advantaged accounts are becoming more common. If you have a tax-advantaged-account, it's important to understand which kind you have. A tax-advantaged account is a savings account where the contributions are tax exempted or leverage some other kind of tax advantage.



Health Reimbursement Account (HRA)

An employer-funded group plan option that reimburses you for qualified medical expenses. You are reimbursed tax-free, but only up to a certain pre-set dollar amount. HRAs are owned by employers and aren't portable if you change jobs.



Flexible Spending Account (FSA)

FSAs are arranged with your employer to use contributions tax-free towards out-of-pocket qualified medical expenses for you and your dependents for a lot of different qualifying expenses, including prescription drugs and medical devices. However, there can be limits for how much you can contribute, and there can be only a 2.5 month period to spend that FSA money after the end of the calendar year.



Health Savings Account

A savings account for qualified medical expenses that must be paired with a High Deductible Health Plan (HDHP). Unused funds for HSAs roll over from year to year and are owned by the employee.

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