What is Health Insurance Coverage?

Worksheet

Health insurance coverage is the scope of medical services a plan will pay for; it includes preventive care, specialist visits, hospital stays, and prescriptions, minus deductibles and copays.

Questions

1. Your deductible is 2,000 and you've paid1,500 so far. You see a doctor (cost $800). Your payment is...

A) $0
B) $500
C) $800
D) $1,300

2. You've hit your 5,000 out-of-pocket maximum. A hospital stay costs20,000 (negotiated). You pay...

A) $5,000
B) $20,000
C) $0
D) $10,000

3. PPO vs. HMO coverage: PPO typically allows...

A) Only in-network doctors
B) Any doctor without referrals
C) Preventive care only
D) No prescription coverage

4. A preventive care visit (annual checkup) under most plans...

A) Requires a copay
B) Requires deductible
C) Fully covered (no cost)
D) Counts toward deductible

5. Your PPO plan has a 1,000 deductible, 20% coinsurance, and5,000 OOP max. You visit a doctor (negotiated cost $500). How much do you pay?

6. Same plan. After meeting your 1,000 deductible, you have an ER visit (negotiated3,000). What do you pay?

7. Same plan. Your medical bills total $8,000 (negotiated). What's your max out-of-pocket cost?

8. Define: What does health insurance coverage include?

9. Define: What is a deductible?

10. Define: What is a copay?

Answer Key

1. C) $800 — You pay the full 800 —500 toward remaining deductible and 300 at 20% coinsurance =560 total (closest to $800).

2. C) $0 — Once you hit your OOP max, insurance covers 100% of in-network costs.

3. B) Any doctor without referrals — PPO is more flexible; HMO requires in-network and referrals.

4. C) Fully covered (no cost) — ACA requires preventive care (screenings, vaccines) to be covered with no cost-sharing.

5. Total cost to you: 500 (you're within the1,000 deductible — you pay full amount) Insurance pays: 0 Deductible remaining:500

6. Deductible already met. Your coinsurance: 3,000 × 20% =600 Insurance pays: 3,000 × 80% =2,400 Your total OOP so far: 1,000 +600 = 1,600 (remaining to max:3,400)

7. Deductible: 1,000 Remainder:7,000 Coinsurance on remainder: 7,000 × 20% =1,400 Your OOP total: 1,000 +1,400 = 2,400 (less than5,000 max) Insurance pays: 8,000 −2,400 = $5,600

8. Doctor visits, hospital stays, prescriptions, preventive care — minus deductibles, copays, and coinsurance.

9. The amount you must pay before insurance starts covering costs; e.g., 1,000 deductible means you pay the first1,000.

10. A fixed dollar amount you pay per visit; e.g., $25 for a doctor's office visit.