

A graphic with a blue and black background. The word "LESSON" is written in white capital letters at the top. Below it, the number "11.1" is written in large white font.

Health Insurance Premiums

Vocab:

Health Insurance - a plan to protect you from expenses when you're ill.

Traditional Plan - a plan that offers services at a predetermined cost.

PPO - preferred provider org. → a group of doctors/hospitals, that are contracted to provide care.

HMO - health maintenance org. → one doctor/hospital that provides services.

LESSON
11.1**EXAMPLE**

Sean Derricotte has a family membership in a group medical insurance program. The annual premium is \$11,880. Sean's employer pays 80% of the total cost. His contribution is deducted monthly from his paycheck. What is Sean's annual contribution? What is his monthly deduction?

we pay 20%

$$0.2(11880) = \boxed{\$2376}$$

$$\frac{2376}{12} = \boxed{\$198}$$

LESSON
11.1

Complete the problems. Find the (a) employee's total annual contribution and (b) employee's monthly deduction. Check your answers in the back of the book.

1. Dorsey Williams has a single plan. His PPO annual premium is \$4,325. His employer pays 65%.

a) 35% we pay
 $0.35(4325) = \$1513.75$

b) $\frac{1513.75}{12} = \$126.15$

LESSON
11.1

Complete the problems. Find the (a) employee's total annual contribution and (b) employee's monthly deduction. Check your answers in the back of the book.

2. Rubina Shaw has a family plan. Her HMO annual premium is \$11,473. Her employer pays 73%.

a) 27% we pay
$$0.27(11473) = \$3097.71$$

b)
$$\frac{3097.71}{12} = \$258.14$$

LESSON
11.1

For Problems 3–7, find the (a) employee’s percent, (b) employee’s contribution, and (c) monthly premium.

	Insurance Plan	Annual Premium	Employer’s Percent	Employee’s Percent	Employee’s Contribution	Monthly Premium
3.	Single PPO	\$ 4,980	60%	a. 40%	b.	c.

$100\% - 60\%$

$0.4(4980)$
\$1992

\$166

**LESSON
11.2****Health Insurance Benefits**

Vocab:

Deductible - the \$ you have to pay before your insurance kicks in.

Co-Insurance - a set % for a service.

Co-Payment - a set \$ amount for a service

**LESSON
11.2**
EXAMPLE

Brooke Kolodie is single and has a health insurance plan with the benefits shown in **Figure 11.1**. After meeting her \$1,000 deductible, her recent network health care costs include co-payments for 8 physician visits and 9 specialist visits. Following hospital surgery, she made co-payments for 12 physical therapy visits at \$85 each and she had 4 co-payments at her local pharmacy, for 3 generic drugs and 1 brand-name drug. Her hospital admission charge was \$200 and her hospital bill was \$34,560. What amount did she pay?

Health Care Benefits Schedule			
		Network	Non-Network*
Annual Deductible	Single	\$1,000	\$1,500
	Family	\$3,000	\$4,500
Hospital Charges	—	10% **	30% **
Co-insurance/ Co-payments	Physician visit	\$ 20	\$ 30
	Specialist visit	\$ 30	\$ 40
	Physical Therapy	20% **	30% **
Retail Pharmacy	Generic	\$ 10	
	Brand-Name	\$ 20	
Mail-Order Pharmacy (90 day supply)	Generic	\$ 25	
	Brand-Name	\$ 50	
	Emergency Room-ER	\$ 100	\$ 100
	Ambulance	\$ 100	\$ 100
*Non-Network refers to a health care provider who does not have a contract with the health plan administrator.			
**Percent of total cost that you must pay.			

**LESSON
11.2**

Using Figure 11.1, complete the problems. Check your answers in the back of the book.

- Determine your network plan costs with the following co-payments: 7 physician visits, 2 specialist visits, 12 physical therapy appointments at \$90 each. You also have the following pharmacy charges: 2 local generic drugs, 1 local brand-name drug, 3 mail-order generic drugs and 1 mail-order brand-name drug. You have no hospital charges and no deductible.

Health Care Benefits Schedule			
		Network	Non-Network*
Annual Deductible	Single	\$1,000	\$1,500
	Family	\$3,000	\$4,500
Hospital Charges	—	10% **	30% **
Co-insurance/ Co-payments	Physician visit	\$ 20 7	\$ 30
	Specialist visit	\$ 30	\$ 40
	Physical Therapy	20% **	30% **
Retail Pharmacy	Generic	\$ 10	
	Brand-Name	\$ 20	
Mail-Order Pharmacy (90 day supply)	Generic	\$ 25	
	Brand-Name	\$ 50	
	Emergency Room-ER	\$ 100	\$ 100
	Ambulance	\$ 100	\$ 100
*Non-Network refers to a health care provider who does not have a contract with the health plan administrator. **Percent of total cost that you must pay.			


**LESSON
11.2**

Using Figure 11.1, complete the problems. Check your answers in the back of the book.

2. Determine a family's network plan costs with the following co-payments: 22 physician visits, 12 specialist visits, 15 physical therapy appointments at \$80 each, and 1 emergency room visit plus ambulance fee. The family also had the following pharmacy charges: 9 local generic drugs, 4 local brand-name drugs, 6 mail-order generic drugs, and 2 mail-order brand-name drugs. There was also a hospital charge of \$9,260. The family already met its annual deductible.

Health Care Benefits Schedule			
		Network	Non-Network*
Annual Deductible	Single	\$1,000	\$1,500
	Family	\$3,000	\$4,500
Hospital Charges	—	10% **	30% **
Co-insurance/ Co-payments	Physician visit	\$ 20	\$ 30
	Specialist visit	\$ 30	\$ 40
	Physical Therapy	20% **	30% **
Retail Pharmacy	Generic	\$ 10	
	Brand-Name	\$ 20	
Mail-Order Pharmacy (90 day supply)	Generic	\$ 25	
	Brand-Name	\$ 50	
	Emergency Room-ER	\$ 100	\$ 100
	Ambulance	\$ 100	\$ 100
*Non-Network refers to a health care provider who does not have a contract with the health plan administrator. **Percent of total cost that you must pay.			

**LESSON
11.2**

For Problems 3–10, find the (a) co-payments, (b) co-insurance, and (c) total paid by insured.

	Deductible Amount	Number of Co-payments at \$10.00 Each	Amount of the Co-payments	Amount Subject to Co-insurance	Insured Co-insurance Rate	Amount of Co-insurance	Total Paid by Insured
3.	\$3,000	25	a. \$250	\$12,000	20%	b. \$2400	c. \$9650

$25(10)$
 $0.2(12000)$