

Out-of-pocket costs are not reimbursed, or paid, by health insurance and include your monthly health insurance premium, copayments, deductibles and coinsurance. Look at your health insurance plan’s summary of benefits to see what counts toward your out-of-pocket costs.

Why do I need to know out-of-pocket costs?

You need a way to make a “good guess” of health care costs for next year as you create a budget for health insurance and other health expenses. This good guess helps you to compare health insurance plans and decide which plan is the smart choice for you and your family.

How do I make a “good guess”?

Fortunately, there are records that show costs over time that can be used to make a “good guess.”

Records show that costs are going up each year. They show that we could use 5% as our “good guess.” This means that consumers can expect to pay 5% more each year. For example, if the average U.S. consumer paid \$1016 out-of-pocket in 2014, their “good guess” would be \$51 (or 5%) more for a likely out-of-pocket cost of \$1067 in 2015.

If you kept records of your out-of-pocket costs in 2014, you would multiply your costs times 5% for your personal “good guess.”

How do I Keep Records of My Costs?



To have records you need to:

1. Keep a written list of all your out-of-pocket costs.
2. Keep all your receipts in one place.
3. Be sure there is a date and reason for the cost on each receipt.

How do I make my good guess?

Add up all the costs at the end of the year for your total out-of-pocket costs. Multiple your total out-of-pocket costs by .05 (5%) for your “good guess” for your out-of-pocket costs for the next year.

5%



Reference:

Health Care Cost Institute. (2013, September). 2012 *Health Care Cost and Utilization Report*.
<http://www.healthcostinstitute.org/files/2012report.pdf>

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