

DEDUCTIBLE PLANS

What is a deductible plan? • How does it work? • Key terms • Features

DEDUCTIBLE PLANS

Deductible plans generally offer lower monthly premiums in exchange for having to meet a deductible. With this type of plan, you must meet an annual medical deductible for most services before you're eligible for copayment or coinsurance payments. Read the scenarios on pages 3 and 4 to see how an individual and a family might use these plans.

HOW DEDUCTIBLE PLANS WORK

No deductible for many services

With most of our deductible plans, many services are available for a copayment **before** you meet your deductible.¹ You can pay a copay from the first day of coverage for:

- Primary care visits
- Specialty care visits
- Emergency services
- Vision care
- Prescription drugs²

Plus, the following preventive care services are available for **no charge** from the first day of coverage and are not subject to the deductible:

- Physical exams
- Well-woman exams
- Well-child visits
- Periodic preventive health screenings
- Routine immunizations

There are two ways for enrolled family members to meet their deductibles. They can either separately meet their individual deductibles or the family's combined expenses can meet the family deductible.



¹These services are only subject to the deductible in the \$8,000 Deductible/0% Plan.

²Prescription drugs are not covered in the \$750 Deductible/20% Plan without Rx.

MEET WAYNE TAYLOR¹

Wayne is a single 32-year-old who's in great shape and very proactive about his health. Except for annual checkups and preventive tests, he rarely needs to see his doctor. Wayne wants to maintain his good health and is looking for coverage for serious illnesses or injuries—while paying lower premiums.

What Wayne wants:

- Lower premiums
- Preventive care with no deductible
- Coverage for the big things

Wayne's plan: \$1,000 Deductible/30% Plan

- \$1,000 individual deductible
- \$3,500 individual out-of-pocket maximum (OOPM)
- \$0 for preventive care (not subject to deductible)
- \$30 copay for primary care office visits (not subject to deductible)
- \$75 Emergency Department visits (not subject to deductible)



HOW THIS PLAN WORKS FOR HIM

During the year, Wayne enjoys his usual good health. He sees his primary care physician for a checkup but since this is a preventive care service, he does not have to pay a copay. His physician orders some preventive screening tests which are also no charge.

Since routine doctor visits are not subject to the deductible and preventive care is no charge on his deductible plan, Wayne is able pay a copay for the services he is most likely to use most from the first day of coverage—many of which are no charge.



¹These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of the health care plan and other factors.

MEET MIGUEL AND LUPE GARCIA¹

Miguel and Lupe have two children: Elena, 16, and Eddie, 14. The couple wants to keep their out-of-pocket expenses as low as possible while maintaining quality coverage for the family.

What the Garcias want:

- A low deductible
- Moderate premiums
- Preventive care with no deductible

The Garcias' plan: \$500 Deductible/20% Plan

- \$500 individual deductible/\$1,000 family deductible
- \$2,500 individual OOPM/\$5,000 family OOPM
- \$0 for preventive care (not subject to deductible)
- \$20 copay for primary care office visits (not subject to the deductible; waived for children under age 5)
- \$75 copay for Emergency Department visits (not subject to deductible)
- Prescription coverage



HOW THIS PLAN WORKS FOR THEM

During the year, Miguel is in an automobile accident and is hospitalized, followed by months of physical therapy. After Miguel's medical expenses reach his \$500 individual deductible, he is eligible to pay copayment and/or coinsurance for covered services. After his deductible, coinsurance, and copayments reach his \$2,500 individual OOPM, he does not have to pay anything for covered basic health care services for the remainder of the year.² And after his cost-sharing expenses reach the \$5,000 family OOPM, none of the family members will have to pay anything for covered basic health care services for the rest of the contract year.

Bottom line: The Garcias' health care coverage protects their savings when a family member suffers major injuries.



¹These examples are for illustrative purposes only. Individual situations will vary depending on the specifics of the health care plan and other factors.

²Basic health services include: inpatient and outpatient physician services, inpatient hospital services, outpatient medical services, diagnostic laboratory and radiology services, preventive health services, emergency health care services, inpatient and outpatient chemical dependency services, and mental health services.

KEY TERMS

Allowable charges (AC): This is a schedule of charges for services provided to the general public.

Copayment (or copay): This is the specific dollar amount that you pay when you receive a covered service or prescription. Copayment amounts vary depending on the services and plan chosen.

Coinsurance: This is the percentage you pay of the allowable charges for certain services and supplies. Coinsurance amounts vary depending on the services and the plan.

Deductible: This is the amount of allowable charges a member incurs during a contract year for certain services subject to the deductible, before the health plan will provide benefits for those covered services.

Formulary: Our formulary is the comprehensive list of medications available to Kaiser Permanente members. Kaiser Permanente pharmacists and physicians carefully design our formulary and regularly review and update it to ensure your medication is safe, effective, and appropriate for your condition. To find out whether a drug is on the formulary, call Customer Relations at **1-800-686-7100** or visit our Web site at **kp.org**.

Monthly rate/premium: This is the fixed amount you pay every month for health care coverage. The amount depends on the benefit plan as well as the age and gender of the oldest covered family member (the subscriber), where you live, and the number of family members enrolling.

Not subject to deductible: In deductible plans, some medical services are covered immediately and therefore are “not subject to deductible.” This means that from your first day of coverage, you can receive these services for the standard copayment or coinsurance, without having to first satisfy the deductible. For all of our deductible plans, dental services are not subject to the deductible.

Out-of-pocket maximum (OOPM): This is the most that an individual or family will have to pay for certain covered services in a contract year. Once you satisfy your plan’s OOPM, Kaiser Permanente will pay 100 percent for covered services for the remainder of the contract year.

In a family plan, members can meet their OOPM in one of two ways: with each family member meeting his or her individual OOPM, or with the combined expenses of various family members meeting the family OOPM. Any combination of individual contribution is allowed.

Preventive care: Our goal is to help you achieve the best health possible for you. One way we do that is to provide services that monitor you when you’re well and can give an advance warning when you’re at risk of becoming ill. Preventive care does just that. For young children, preventive care services include well-child visits and immunizations. For pregnant women, preventive care includes prenatal care and the baby and mother’s first postpartum visit. Preventive care also includes routine physical exams, well-woman exams, periodic preventive health screenings, and routine immunizations for adults.

FEATURES AT A GLANCE

Please refer to each plan's *Guide to Your 2009 Benefits and Services* for detailed descriptions of copayments and coinsurance.

MARYLAND, VIRGINIA, AND WASHINGTON, DC

All listed services are subject to the medical deductible except as noted.

FEATURES	\$500 Deductible/ 20% Plan	\$750 Deductible/ 20% Plan with Rx	\$750 Deductible/ 20% Plan without Rx	\$1,000 Deductible/ 30% Plan	\$8,000 Deductible/ 0% Plan
Annual out-of-pocket maximum					
Individual	\$2,500	\$3,500	\$3,500	\$3,500	\$10,000
Family	\$5,000	\$7,000	\$7,000	\$7,000	\$20,000
Deductible					
Individual	\$500	\$750	\$750	\$1,000	\$8,000
Family	\$1,000	\$1,500	\$1,500	\$2,000	\$16,000
Preventive care¹	No charge (no deductible)	No charge (no deductible)	No charge (no deductible)	No charge (no deductible)	No charge (no deductible)
Office visits²					
Primary care	\$20 per visit (no deductible) (waived for children under age 5)	\$30 per visit (no deductible) (waived for children under age 5)	\$30 per visit (no deductible) (waived for children under age 5)	\$30 per visit (no deductible) (waived for children under age 5)	No charge
Specialty care	\$30 per visit (no deductible)	\$40 per visit (no deductible)	\$40 per visit (no deductible)	\$40 per visit (no deductible)	No charge
Emergency services	\$75 per visit (no deductible)	\$75 per visit (no deductible)	\$75 per visit (no deductible)	\$75 per visit (no deductible)	No charge
Vision care					
Eye exams					
• Optometry	\$20 per visit (no deductible)	\$30 per visit (no deductible)	\$30 per visit (no deductible)	\$30 per visit (no deductible)	No charge
• Ophthalmology	\$30 per visit (no deductible)	\$40 per visit (no deductible)	\$40 per visit (no deductible)	\$40 per visit (no deductible)	No charge
Inpatient hospitalization (includes medical, maternity, mental health, and chemical dependency stays)	20% of AC ³	20% of AC ³	20% of AC ³	30% of AC ³	No charge
Lab and radiology	20% of AC ³	20% of AC ³	20% of AC ³	30% of AC ³	No charge
Maternity care⁴	Office visit and hospitalization cost sharing applies				
Outpatient surgery	20% of AC ³	20% of AC ³	20% of AC ³	30% of AC ³	No charge
Prescription drugs⁵ (for 30-day supply)					
Pharmacy deductible	None	None	Not covered	None	No pharmacy deductible, but subject to plan deductible
Generic	\$10	\$10	Not covered	\$10	\$10
Preferred brand	\$30	\$30	Not covered	\$30	\$35
Nonpreferred	\$45	\$45	Not covered	\$45	\$50
Dental services	\$30 preventive visits; certain other services covered at discounted rates				

FEATURES AT A GLANCE

These are only highlights of plan coverage and are not inclusive. For specific benefit information, reference the *Guide to Your 2009 Benefits and Services* (KFHP-NG-KPIF-DC for District of Columbia residents, KFHP-NG-KPIF-VA for Virginia residents, and KFHP-NG-KPIF-MD for Maryland residents), which you will receive upon acceptance. Please call Member Services at **(301) 468-6000** or **1-800-777-7902** for additional assistance.

¹Preventive care services are offered at no charge and are not subject to the deductible. These services include physical exams, well-woman exams, well-child visits, periodic preventive health screenings, and routine immunizations.

²Primary care visits include family practice, obstetrics/gynecology, pediatrics, and general practitioner or internal medicine (other office visits are considered specialty care visits).

³Allowable charges (AC) is a schedule of charges for services provided to the general public.

⁴Once a pregnancy has been confirmed, coverage includes all prenatal visits and one postnatal visit. In-hospital labor and delivery are covered at the applicable inpatient hospitalization charge. Exclusions include custodial, intermediate, or domiciliary care; cosmetic services; nonprescription drugs; services to reverse voluntary infertility; sexual reassignment services; and nonhuman organs.

⁵Only covered when filled at a Kaiser Permanente pharmacy or through a Kaiser Permanente mail order. Kaiser Permanente mail-order drugs: \$2 discount per 30-day supply (Virginia and Washington, DC, only). Noncreditable pharmacy coverage for members currently enrolled in Medicare.

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