

UNDERSTANDING INSURANCE COSTS

Decode EOBs, deductibles, copays, and out-of-pocket maximums

Know what you owe, what you don't, and why the bill never matches what you expected.

This guide is for informational purposes only and does not constitute legal, medical, or financial advice.

NITI LOGIC · DECISION SYSTEMS, DECODED. · nitilogic.com

The Four Numbers That Matter Most

Your financial responsibility is not just one number. It depends on the interaction of several cost-sharing components — and the order in which they apply.

Term	What It Means	Key Point
Deductible	Amount you pay before insurance begins paying for most services	Some services (like preventive care) may be covered before deductible is met
Copay	Fixed amount you pay for a specific service, regardless of total cost	Copays may apply even before your deductible is met
Coinsurance	Your percentage share of costs after deductible is met	Example: 20% coinsurance means you pay 20%, insurance pays 80%
Out-of-Pocket Maximum	The most you will pay in a plan year for covered in-network services	After this is reached, insurance typically pays 100% of covered costs

How Network Status Changes Everything

	In-Network	Out-of-Network
Rates	Negotiated lower rates apply	Higher charges, may have no ceiling
Counts toward deductible	Yes	Depends on plan — may not count
Counts toward OOP max	Yes	Often does not count
Balance billing	Not permitted	May apply — additional charges possible

Reading Your Explanation of Benefits (EOB)

An EOB is not a bill. It is a statement from your insurer explaining how a claim was processed. It shows what was charged, what the insurer paid, and what you may owe.

Key fields to check on every EOB:

- Amount billed — what the provider charged
- Adjustment — the difference between billed and allowed amount (your insurer negotiated this)
- Amount paid by plan — what insurance covered

- Your responsibility — what you actually owe
- Applied to deductible — how much went toward your deductible

If the EOB shows "patient responsibility" that seems wrong, call Member Services and ask for a line-by-line explanation before you pay anything.

What May NOT Count Toward Your OOP Maximum

- Out-of-network services (depending on plan)
- Non-covered services
- Balance billing charges
- Premium payments
- Some pharmacy costs
- Services from non-participating providers

Always verify with your insurer which costs count toward your deductible and out-of-pocket maximum. Assumptions are a common source of billing surprises.

Questions to Ask Before a Major Service

- How much of my deductible has been met?
- How much remains before my out-of-pocket maximum?
- Is this provider in-network?
- Will this service count toward my OOP max?
- What is my estimated patient responsibility?
- Do I need prior authorization?
- Will all providers involved be in-network?
- Request written cost estimates when possible

Need a human in your corner?

Book a session with an expert insider on your schedule.
PRISM-qualified analysis of your specific situation at nitilogic.com

calendly.com/niti-logic

Use code TAKEOFF10 for 10% off your first session

Advisory sessions provide educational guidance only and do not constitute legal, medical, or insurance advice.

This guide is for informational purposes only and does not constitute legal, medical, or financial advice. © 2026 Niti Logic · nitilogic.com