

SECTION IV

Cost-Sharing Expenses and Allowed Amount

A. Copayments.

Except where stated otherwise, You must pay the Copayments, or fixed amounts, in the Schedule of Benefits section of this [Contract; Policy] for Covered Services. However, when the Allowed Amount for a service is less than the Copayment, You are responsible for the lesser amount.

B. Coinsurance.

Except where stated otherwise, You must pay a percentage of the Allowed Amount for Covered Services. We will pay the remaining percentage of the Allowed Amount as shown in the Schedule of Benefits section of this [Contract; Policy].

C. Out-of-Pocket Limit.

When You have met Your Out-of-Pocket Limit in payment of Copayments and Coinsurance for a Plan Year in the Schedule of Benefits section of this [Contract; Policy], We will provide coverage for 100% of the Allowed Amount for Covered Services for the remainder of that Plan Year.

[The Preauthorization; notification penalty described in the How Your Coverage Works section of this [Contract; Policy] does not apply toward Your Out-of-Pocket Limit.] The Out-of-Pocket Limit runs on a Plan Year basis

D. Allowed Amount.

“Allowed Amount” means the maximum amount We will pay for the services or supplies covered under this [Contract; Policy], before any applicable Copayment or Coinsurance amounts are subtracted. We determine Our Allowed Amount as follows:

[The Allowed Amount will be the amount We have negotiated with the Participating Provider], or the amount approved by [XXX]] [, or the Participating Provider’s charge] [, if less].]

{Drafting Note: The bracketed language is optional.}

See the Emergency Services and Urgent Care Section of this [Contract; Policy] for the Allowed Amount for an Emergency condition.

[Our payments to Participating Providers may include financial incentives to help improve the quality of care and promote the delivery of Covered Services in a cost-efficient manner. Payments under this financial incentive program are not made as payment for a specific Covered Service provided to You. Your Cost-Sharing will not change based on any payments made to or received from Participating Providers as

part of the financial incentive program.]