

# Co-Payment (Health Insurance)

## What does this mean?

**Co-payment (Co-pay)** is the **fixed percentage of medical expenses that the policyholder must pay**, while the insurance company pays the remaining amount.

It is a **cost-sharing feature** between the insurer and the insured.

For example, if your policy has a **20% co-pay**, you pay 20% of the claim amount and the insurer pays 80%.

## Why is this Important?

### Lower premium

Policies with co-pay usually have lower premiums.

### Shared responsibility

Encourages responsible use of medical services.

### Common in senior citizen policies

Used to manage higher health risks and claim frequency.

## How does it Work in Insurance?

1. Hospitalization occurs and the claim amount is calculated.
2. The insurer applies policy deductions and limits.
3. The co-payment percentage is applied to the final approved claim.
4. The policyholder pays the co-pay portion.

Co-payment applies **every time a claim is made**.

## Where is Co-Payment Commonly Applied?

- Senior citizen health insurance policies
- Policies purchased at older ages

- Treatment in non-network hospitals (in some policies)
- Specific treatments or diseases (in some plans)

## Which Expenses Are Affected?

Co-payment is applied to **eligible claim amount**, including:

- Hospital room charges
- Doctor consultation fees
- Surgery and treatment costs
- Diagnostic tests and medicines

It applies after policy limits and sub-limits are considered.

## When Does Co-Payment Apply?

Co-payment is applicable:

- At the time of claim settlement
- For every hospitalization claim
- As per the percentage mentioned in the policy (e.g., 10%, 20%, 30%)

## Example

Meena has a health insurance policy with:

- Claim amount approved: ₹1,00,000
- Co-payment: 20%

She pays ₹20,000 and the insurer pays ₹80,000.

## Key Points to Remember

- Co-pay is a **percentage**, not a fixed amount
- Applied to every claim
- Reduces premium but increases out-of-pocket cost
- Common in senior citizen policies

- Mentioned clearly in policy documents

## Simple Summary

Co-payment means **sharing the medical bill** with your insurer — you pay a fixed percentage, and the insurer pays the rest.