nexben™

Making Sense of the Embedded Coinsurance Max (ECM)

The Embedded Coinsurance Maximum puts a cap on the amount of coinsurance (percent of charges) a member has to pay in a given benefit year. The member stops being responsible for coinsurance once the coinsurance maximum has been met. Because coinsurance is "embedded" in the Out-of-Pocket (OOP) Maximum, amounts applied to the ECM also apply toward meeting the OOP limit.

Without ECM the member is responsible for paying coinsurance until the entire OOP limit has been met.

Many Blue Cross® Blue Shield® of Michigan and Blue Care Network plans have an Embedded Coinsurance Maximum, thus limiting the amount a subscriber will pay for coinsurance in a plan year.

Plan	Deductible	ECM	Coinsurance	Out-Of-Pocket Max	Office Visit Copay	ER Copay
Sample Plan	$1,000	$2,000	20 percent	$6,600	$20	$150

Joe undergoes major surgery and is hospitalized for seven days. His hospital bill totals $50,000. Joe is protected by his plan's Out-of-Pocket maximum, but his coinsurance responsibility is higher without the ECM.

With Embedded Coinsurance Max	
Joe is responsible to pay $3,000	
Deductible	$1,000
Coinsurance	+ 2,000 (Capped at ECM)
Total	$3,000

Without ECM	
Joe is responsible to pay $6,600	
Deductible	$1,000
Coinsurance	+ 5,600 (To OOP max)
Total	$6,600

Note:

- ECM does not apply to HSA plans
- Some BCN services (infertility treatment, weight reduction procedures, TMJ, prosthetics, diabetic supplies) do not apply to ECM.
- OOP Maximum includes all out of pocket costs—deductibles, copays, and coinsurance for both medical and pharmacy expenses.
- Coinsurance met in the benefit year prior to the addition of an ECM Rider will not accumulate towards the new ECM.

OOP
Deductible
Flat-Dollar Copays
ECM
Percent of Medical Coinsurance Payments
Rx Copays