



Your guide to Health Coverage and Medical Terms

Your Guide to Health Coverage and Medical Terms will help you understand different terms and definitions that often are included in your benefit plan and medical bills. This Guide is intended to be educational and may be different from the terms and definitions in your plan. Some of this information also might not have exactly the same meaning when used in your policy or plan. In any such case, the policy or plan governs.

Bold gray text indicates a term defined in this Guide.



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Allowed Amount

Maximum amount on which payment is based for covered healthcare services. This may be called “eligible expense,” “payment allowance” or “negotiated rate.” If your **provider** charges more than the allowed amount, you may have to pay the difference. (See **Balance Billing**.)

Appeal

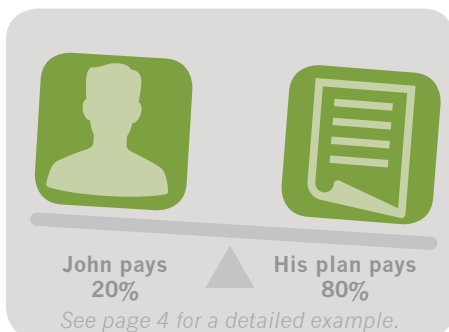
A request for your health insurer or **plan** to review a decision or a **grievance** again.

Balance Billing

When a **provider** bills you for the difference between the provider’s charge and the **allowed amount**. For example, if the provider’s charge is \$100 and the allowed amount is \$70, the provider may bill you for the remaining \$30. A **preferred provider** may not balance bill you for covered services.

Coinsurance

Your share of the costs of a covered healthcare service, calculated as a percent (for example, 20%) of the **allowed amount** for the service. You pay coinsurance *plus* any **deductibles** you owe. For example, if the **health insurance** or **plan’s** allowed amount for an office visit is \$100 and you’ve met your deductible, your coinsurance payment of 20% would be \$20. The health insurance or plan pays the rest of the allowed amount.



Complications of Pregnancy

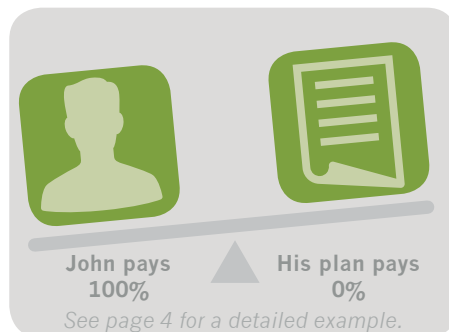
Conditions due to pregnancy, labor and delivery that require medical care to prevent serious harm to the health of the mother or the fetus. Morning sickness and a non-emergency cesarean section aren’t complications of pregnancy.

Copayment

A fixed amount (for example, \$15) you pay for a covered healthcare service, usually when you receive the service. The amount can vary by the type of covered healthcare service.

Deductible

The amount you owe for healthcare services your **health insurance** or **plan** covers before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won’t pay anything until you’ve met your \$1,000 deductible for covered healthcare services subject to the deductible. The deductible may not apply to all services.



Durable Medical Equipment (DME)

Equipment and supplies ordered by a healthcare **provider** for everyday or extended use. Coverage for DME may include oxygen equipment, wheelchairs, crutches or blood testing strips for diabetics.

Emergency Medical Condition

An illness, injury, symptom or condition so serious that a reasonable person would seek care right away to avoid severe harm.

Emergency Medical Transportation

Ambulance services for an **emergency medical condition**.

Emergency Room Care

Emergency services you get in an emergency room.

Emergency Services

Evaluation of an **emergency medical condition** and treatment to keep the condition from getting worse.

Excluded Services

Healthcare services that your **health insurance** or **plan** doesn’t pay for or cover.

Grievance

A complaint that you communicate to your health insurer or **plan**.

Habilitation Services

Healthcare services that help a person keep, learn or improve skills and functioning for daily living. Examples include therapy for a child who isn’t walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Health Insurance

A contract that requires your health insurer to pay some or all of your healthcare costs in exchange for a **premium**.

Home Healthcare

Healthcare services a person receives at home.

Hospice Services

Services to provide comfort and support for persons in the last stages of a terminal illness and their families.

Hospitalization

Care in a hospital that requires admission as an inpatient and usually requires an overnight stay. An overnight stay for observation could be outpatient care.

Hospital Outpatient Care

Care in a hospital that usually doesn’t require an overnight stay.

In-network Coinsurance

The percent (for example, 20%) you pay of the **allowed amount** for covered healthcare services to **providers** who contract with your **health insurance** or **plan**. In-network coinsurance usually costs you less than **out-of-network copayments**.

In-Network Copayment

A fixed amount (for example, \$15) you pay for covered healthcare services to **providers** who contract with your **health insurance** or **plan**. In-network copayments usually are less than **out-of-network copayment**.

Medically Necessary

Healthcare services or supplies needed to prevent, diagnose or treat an illness, injury, condition, disease or its symptoms and that meet accepted standards of medicine.



Network

The facilities, **providers** and suppliers your health insurer or **plan** has contracted with to provide healthcare services.

Non-Preferred Provider

A **provider** who doesn't have a contract with your health insurer or **plan** to provide services to you. You'll pay more to see a non-preferred provider. Check your policy to see if you can go to all providers who have contracted with your **health insurance** or plan, or if your health insurance or plan has a "tiered" **network** and you must pay extra to see some providers.

Out-of-network Coinsurance

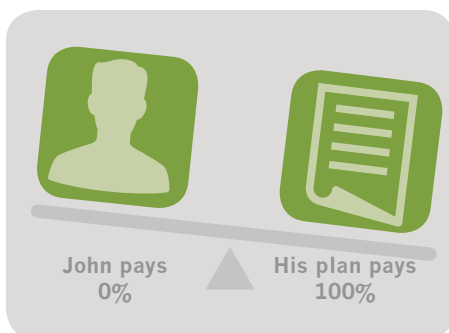
The percent (for example, 40%) you pay of the **allowed amount** for covered healthcare services to providers who do not contract with your **health insurance** or **plan**. Out-of-network coinsurance usually costs you more than **in-network coinsurance**.

Out-of-network Copayment

A fixed amount (for example, \$30) you pay for covered healthcare services from providers who do not contract with your **health insurance** or **plan**. Out-of-network copayments usually are more than **in-network copayments**.

Out-of-Pocket Limit

The most you pay during a policy period (usually a year) before your **health insurance** or **plan** begins to pay 100% of the **allowed amount**. This limit never includes your **premium**, **balance-billed** charges or healthcare your health insurance or plan doesn't cover. Some health insurance or plans don't count all of your **copayments**, **deductibles**, **coinsurance** payments, out-of-network payments or other expenses toward this limit.



Physician Services

Healthcare services a licensed medical physician (M.D. — Medical Doctor or D.O. — Doctor of Osteopathic Medicine) provides or coordinates.

Plan

A benefit your employer, union or other group sponsor provides to you to pay for your healthcare services.

Preauthorization

A decision by your health insurer or **plan** that a healthcare service, treatment plan, **prescription drug** or **durable medical equipment** is **medically necessary**. Sometimes called prior authorization, prior approval or precertification. Your **health insurance** or plan may require preauthorization for certain services before you receive them, except in an emergency. Preauthorization isn't a promise your health insurance or plan will cover the cost.

Preferred Provider

A **provider** who has a contract with your health insurer or **plan** to provide services to you at a discount. Check your policy to see if you can see all preferred providers or if your **health insurance** or plan has a "tiered" **network** and you must pay extra to see some providers. Your health insurance or plan may have preferred providers who are also "participating" providers. Participating providers also contract with your health insurer or plan, but the discount may not be as great, and you may have to pay more.

Premium

The amount that must be paid for your **health insurance** or **plan**. You and/or your employer usually pay it monthly, quarterly or yearly.

Prescription Drug Coverage

Health insurance or **plan** that helps pay for **prescription drugs** and medications.

Prescription Drugs

Drugs and medications that by law require a prescription.

Primary Care Physician

A physician (M.D. — Medical Doctor or D.O. — Doctor of Osteopathic Medicine) who directly provides or coordinates a range of healthcare services for a patient.

Primary Care Provider

A physician (M.D. — Medical Doctor or D.O. — Doctor of Osteopathic Medicine), nurse practitioner, clinical nurse specialist or physician assistant, as allowed under state law, who provides, coordinates or helps a patient access a range of healthcare services.

Provider

A physician (M.D. — Medical Doctor or D.O. — Doctor of Osteopathic Medicine), healthcare professional or healthcare facility licensed, certified or accredited as required by state law.

Reconstructive Surgery

Surgery and follow-up treatment needed to correct or improve a part of the body because of birth defects, accidents, injuries or medical conditions.

Rehabilitation Services

Healthcare services that help a person keep, get back or improve skills and functioning for daily living that have been lost or impaired because a person was sick, hurt or disabled. These services may include physical and occupational therapy, speech-language pathology and psychiatric rehabilitation services in a variety of inpatient and/or outpatient settings.

Skilled Nursing Care

Services from licensed nurses in your own home or in a nursing home. Skilled care services are from technicians and therapists in your own home or in a nursing home.

Specialist

A physician specialist focuses on a specific area of medicine or a group of patients to diagnose, manage, prevent or treat certain types of symptoms and conditions. A non-physician specialist is a **provider** who has more training in a specific area of healthcare.

UCR (Usual, Customary and Reasonable)

The amount paid for a medical service in a geographic area based on what **providers** in the area usually charge for the same or similar medical service. The UCR amount sometimes is used to determine the **allowed amount**.

Urgent Care

Care for an illness, injury or condition serious enough that a reasonable person would seek care right away, but not so severe as to require **emergency room care**.

How John and His Insurer Share Costs

A Real Life Example

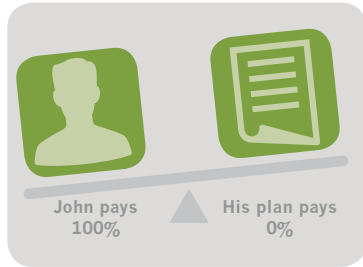
John's Plan Deductible: \$1,500

Coinsurance: 20%

Out-of-Pocket Limit: \$5,000

January 1
Beginning of Coverage Period

December 31
End of Coverage Period



John hasn't reached his \$1,500 deductible yet.

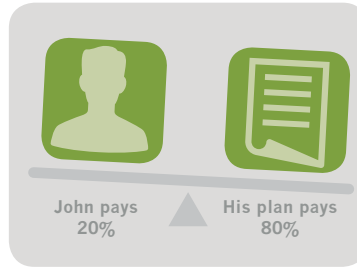
His plan doesn't pay any of the costs.

His office visit costs: \$125

John pays: \$125

His plan pays: \$0

MORE COSTS



John reaches his \$1,500 deductible, coinsurance begins.

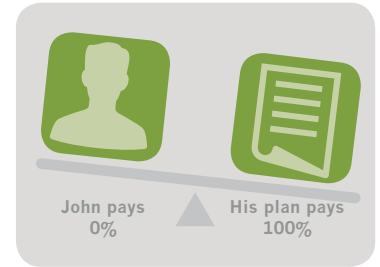
John has seen a doctor several times and paid \$1,500 in total. His plan pays some of the costs for his next visit.

His office visit costs: \$75

John pays: 20% of \$75=\$15

His plan pays: 80% of \$75=\$60

MORE COSTS



John reaches his \$5,000 deductible yet.

John has seen the doctor often and paid \$5,000 in total. His plan pays the full cost of his covered healthcare services for the rest of the year.

His office visit costs: \$200

John pays: \$0

His plan pays: \$200

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