HEALTH PLAN TERMINOLOGY

Annual Limit	Cap on the benefits your insurance company will pay in a given year while you are enrolled in a particular health insurance plan.
Claim	A bill for medical services rendered.
Cost Sharing	Health Care Provider charges for which a patient is responsible under the terms of a health plan. This includes deductibles, coinsurance and copayments.
Coinsurance	Your share of the costs of a covered health care service calculated as a percentage of the allowed amount for the service. Example: Ann's surgery cost is $7,000. She has a $2,000 annual deductible. Ann is responsible for the first $2,000 of allowed charges, and that amount is applied to the deductible. The carrier will cover 80% (coinsurance) of the remaining $5,000 and Ann will cover 20% or $1,000. The total member out of pocket expense for Ann's surgery is $3,000 (the deductible of $2,000 + coinsurance of $1,000).
Copayment (Copay)	A fixed amount you pay for a covered heath care service, usually when you receive the service. Copays often apply to office visits, emergency room visits, and prescription drugs.
Deductible	The amount you owe for covered health care services each year before the insurance company begins to pay. (For some services you would pay a copay in lieu of the deductible as noted above.) Example: John has a health plan with a $2,000 annual deductible. John falls off his roof and has to have three knee surgeries, the first of which is $1,500. Because John hasn't paid anything toward his deductible yet this year, the $1,500 surgery cost goes towards the deductible and John is responsible for 100% of this cost.
Dependent Coverage	Coverage extended to the spouse and children of the primary insured member. Age restrictions on the coverage apply to dependent children (usually covered to age 26).
Explanation of Benefits (EOB)	A statement sent from the health insurance company to a member listing services that were billed by a provider, how those charges were processed and the total amount of patient responsibility for the claim.
Group Health Plan	A health insurance plan that provides benefits for employees of a business.
In-Patient Care	Care rendered in a hospital when the duration of the hospital stay is at least 24 hours.
Insurer (Carrier)	The insurance company providing coverage.
Insured	The person with health insurance coverage. For group health insurance, your employer will typically be the policyholder and you will be the insured.
Open Enrollment Period	The time period during which eligible persons may opt to sign up for coverage under a group health plan or make changes to who is covered under the plan.
Out-of-Pocket Maximum (OPM)	The maximum amount you should have to pay for your health care during one year, excluding monthly premium. After you reach the annual OPM, your health insurance plan begins to pay 100% of the allowed amount for covered health care services or items for the rest of the plan year.
Outpatient Care	Care rendered at a medical facility that does not require overnight hospital admittance or a hospital stay lasting 24 hours or less
Participating Provider	A health care provider who has contracted with a particular insurance carrier or health plan to provide health care services to its members. Also known as in-network provider.
Premium	Amount of money charged by an insurance company for coverage
Preventive Care	Medical check-ups and tests, immunizations and other services used to prevent chronic illnesses from occurring.
Primary Care Physician (PCP)	A physician (family doctor/pediatrician, OB-GYN, etc.) who is responsible for monitoring and coordinating a member's overall care. Some managed care plans require the member to select a PCP when they enroll for coverage.
Provider	A clinic, hospital, doctor, laboratory, health care practitioner or pharmacy.
Qualifying Life Event	A life event designated by the IRS that allows you to amend your current plan or enroll in new health insurance. Common life events include marriage, divorce, having or adopting a child, and losing coverage elsewhere.
Qualified Medical Expense	Expenses defined by the IRS as the costs attached to the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.
Summary of Benefits & Coverages (SBC)	An easy-to-read outline that lets you compare costs and coverage between health plans.
Telemedicine	A form of technology based communication that allows a doctor and patient to communicate without being in the same physical location. This can be used to evaluate, diagnose and prescribe treatment for common illnesses in lieu of an office visit or urgent care visit.
Utilization	The extent to which a particular group uses a particular health plan or program.