



Understanding Your Benefits: Glossary of Terms

Co-Insurance: Health care cost sharing between you and your health insurance company. The cost sharing ranges from 80/20 to 50/50. For example, if your coinsurance is “80/20”, that means that, after the deductible (if any) is paid, your insurance company pays 80% of the covered medical expense and you pay the remaining 20% of the covered claim. The cost sharing stops when the amount that you have paid in covered medical expenses reaches your out-of-pocket limit, which usually is between \$1,000 and \$6,000. If your medical expenses in a calendar year exceed the out-of-pocket limit, then your insurance company covers all the remaining covered costs.

Co-Payment: A fixed amount (for example, \$15) you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.

Deductible: The amount you must pay for the health care services that your health insurance or plan covers before your health insurance or plan begins to pay, excluding doctor visits. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

Health Insurance: A contract that requires your health insurance or plan to pay some or all of your health care costs in exchange for payment of a premium.

Network: The facilities, providers and suppliers your health insurance or plan has contracted with to provide health care services.

Out-of-Pocket Limit: The most you pay for covered services during a policy period (usually January through December) before your health insurance or plan begins to pay 100% of the allowed amount. This limit never includes your premium, amounts that exceed the covered charge for out-of-network providers (also called “balance-billed charges”) or health care your health insurance or plan doesn't cover. Some health insurance or plans don't count all of your co-payments, deductibles, co-insurance payments, out-of-network payments or other expenses toward this limit.

Premium: The amount that must be paid for your health insurance or plan. You 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.

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