Smart Choice and Smart Use Important Words to Know

Cost Terms

Allowed Amount	The highest amount your insurance will pay for covered services. Also called "eligible expense," "payment allowance" or "negotiated rate."
Balance Billing	When you are billed for the amount between how much the provider charges and how much your insurance allows for a service. For example, if the provider's charge is $100 and the allowed amount is $70, the provider may bill you $30. A preferred provider may not do this once you have met your deductible.
Coinsurance	Your part of the costs of a covered service. This is a part of the allowed amount for the service. You pay this amount once you have met your deductible.
Copayment	A set amount (for example, $20) you pay for a covered service. You pay this amount when you get the service. It can change based on the type of service. You may have to meet your deductible first.
Deductible	The amount you owe for health care 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 health care services subject to the deductible. The deductible may not apply to all services.
Fixed Health Care Expense	A medical or health care cost that stays the same each month or year. Example are monthly premiums and prescription drug costs.
Flexible or Periodic Health Care Expense	A medical or health care cost that changes based on services you use.
Medical Expenses	Costs of health care. Examples are insurance premiums, coinsurance or copayments, costs of prescriptions, hospital visits, medical aids/devices/glasses, and travel for health reasons. Some of these may be used for tax deductions. Also called "health care expenses."
Medical Identity Theft	When personal information is stolen to get medical care, health services or insurance. False information may be put in the victim's medical records. This may affect the health care or insurance coverage of the victim.

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Out-of-Pocket Costs	Your costs for services that are not paid by insurance. This includes deductibles, coinsurance and copayments. It also includes costs for services that are not covered by insurance.
Out-of-Pocket Maximum	The most you pay during a policy period (usually one year) before your health insurance plan pays 100% for covered services. This includes deductibles, coinsurance, copayments, or other charges. It also includes any other cost that is a qualified expense. This doesn't have to include premiums, balance billing amounts for non-network providers and other out-of-network costs. It also doesn't include what you pay for non-essential services.
Premium	The amount you pay for your health insurance or plan. You and/or your employer may pay it monthly, quarterly or yearly.
Qualified Medical Expense	A cost for healthcare services, equipment, or medications. There are many types of medical expenses that qualify. You can find these at: http://www.irs. gov/pub/irs-prior/p502--2013.pdf

Types of Health Insurance Plans

Exclusive Provider Organization (EPO)	A plan that covers services **only** if you go to doctors, specialists, or hospitals on the plan's approved list (network). You can go to any provider in an emergency.
Health Maintenance Organization (HMO)	A plan that only covers care from doctors who are part of the HMO. It generally will not cover out-of-network care unless it's an emergency. You may have to live or work in a certain area to be covered.
Point of Service (POS)	A plan in which you pay less if you use providers that are in the plan's network. You will need to select a primary care provider for regular checkups and referrals to see a specialist. You can use out-of-network providers at a higher cost.
Preferred Provider Organization (PPO)	A plan that has a special network or group of providers. You pay less if you use providers in the plan's network. You may not need a referral from you primary care provider to see a specialist. This type of plan usually has payment options for using health care services that are in and out of the network. Copayments are charged for each visit.

Smart Choice and Smart Use Important Words to Know

Tiers (Levels)

Bronze	Insurance will cover 60% of costs for most people. Your coinsurance will be about 40% of costs. This tier has the lowest premiums and the highest out-of-pocket costs.
Silver	Insurance will cover 70% of costs for most people. Your coinsurance will be about 30% of costs. This tier has low premiums and high out-of-pocket cost. This plan may offer the best value if you qualify for cost-sharing reductions based on your income.
Gold	Insurance will cover 80% of costs for most people. Your coinsurance will be about 20% of costs. This tier has high premiums and low out-of-pocket costs.
Platinum	Insurance will cover 90% of costs for most people. Your coinsurance will be about 10% of costs. This tier has the highest premiums and the lowest out-of-pocket costs.

Types of Medical Savings Accounts

Flexible Savings Account (FSA)	A plan through your job that lets you put pre-tax wages into a special account. The money can pay for medical costs, child care, and other health services. You decide how much of your pre-tax wages you want to put into an FSA. You don't pay taxes on this money. Your employer's plan sets a limit on how much you can set aside each year. You can't carry-over FSA funds to the next year. FSA funds you don't spend by the end of the plan year can't be used the next year. This is true unless your employer's plan lets you use leftover FSA funds during a grace period of up to 2.5 months after the end of the plan year.
Health Savings Account (HSA)	A bank account that lets you put money aside, tax-free, to save and pay for qualified health care costs if you are enrolled in a High Deductible Health Plan. The Internal Revenue Service (IRS) limits who can open and put money into an HSA. HSAs are good because what you put in earns interest (more money). This money can be used to pay for future health care costs. You do not pay taxes on the earned interest. There are limits on how much you can set aside each year.

Smart Choice and Smart Use Important Words to Know

Essential Health Benefits	Health care services that must be covered by some plans as of 2014.
Ambulatory patient services	When you receive care in a hospital or other health care facility and leave the same day. Also called "outpatient."
Chronic disease management	A team-based way of helping with long-term illness. It includes education and other activities. It can improve your quality of life and reduce your health care costs.
Dental care (Pediatric-for kids)	Helps pay for the cost of visits to a dental office.
Emergency services	Any health care service to check or treat an emergency medical condition to keep it from getting worse.
Formulary	A list of prescription drugs that are paid in full, or in part, by a health plan
Habilitative services	Health care services that help you keep, learn, or improve skills and activities for daily living.
Hospitalization	When you receive care in a hospital or other health care facility and stay overnight. Also called "inpatient."
Mental health and substance use disorder services	Health care to improve mood, feelings, behavior and substance abuse. Its goal is to help you recover.
Preventive services	Health care that includes screenings, check-ups, and patient counseling to help prevent illness or other health problems.
Rehabilitative services	Services that help you keep, get back, or improve skills and activities for daily living that have been lost or limited because you were sick, hurt, or disabled.
Vision services (Pediatric-for kids)	Helps pay for vision care, like eye exams and glasses.
Well-baby & Well-child care	Doctor visits for preventive services when a baby is young. It also includes yearly visits until a child is 21 years old.

Smart Choice and Smart Use Important Words to Know

Wellness services	A program that promotes health and fitness. It is usually offered through the work place. Insurance plans may also offer it directly to customers. The program lets your employer or plan offer you discounts on premiums, cash rewards, gym memberships, and other items.

Health Care Services Providers

Navigator	A person who helps you look for health coverage through the Marketplace. Their services are free.
Network	Groups your health insurer or plan has contracts with to provide health care services. Anyone who is part of the group is considered "in-network" or a "preferred provider." A provider who is not part of the group is "out-of-network."
Primary Care Physician (PCP)	A doctor who offers many kinds of services for patients. Also called a "general practitioner" or "GP."
Preferred Provider	A provider who has a contract with your health insurer or plan to provide services to you at a discount.
Specialists	Health care providers who focus on a specific area of medicine or health care.

Important Documents

Evidence of Coverage and Benefits	A document that shows what's covered, not covered, or limited in an insurance plan. It is a contract between you and the insurance provider.
Explanation of Benefits (EOB)	A letter from an insurance company showing what treatments and/or services were paid for. It includes the service performed, the provider's name, the patient's name, the fee, how much the insurer allows, and how much the patient must pay.
Insurance Card	A card that shows you have insurance. It shows things like contact information, member number, type of insurance, and copayment amounts.
Summary of Benefits and Coverage	A chart that helps you compare costs and coverage of health plans. It includes price, benefits, and other items.

Types of Health Care Products

Durable Medical Equipment (DME)	Equipment and supplies for everyday or long-term use. It may include items like wheelchairs, crutches or blood testing strips for diabetics. Providers order these.
Prescription drugs	Drugs you need a prescription (doctor's order) to buy.

Source: www.healthcare.gov/glossary

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