



Health Insurance Terminology

Monthly Premium

Monthly bill you have to pay to keep your insurance, similar to a cable bill or utility bill. The first premium payment is generally due the last day of the month before your insurance start date, but always call your insurance company to check. If you miss that payment, you will not have insurance and will have to go through the enrollment process again to get insurance.

Deductible

Portion of your health care that is your responsibility to pay when you receive medical services that don't have a copay. Typically, the higher the deductible, the lower the monthly premium. Generally, other than the premium, anything you pay for covered medical services not covered by a pre-deductible copay will go toward meeting your deductible.

Out of Pocket Maximum

This is the "worst case scenario" maximum amount you'll have to pay for medical care in a single calendar year. This amount includes what you have paid for deductibles, coinsurance and copayments. After you reach this maximum, the health plan will pay your covered medical expenses for the remainder of the calendar year. Summary of Benefits Document that gives details about a plan's coverage and what your costs will be for different medical services.

Copay

Fixed dollar amount you pay at the time services are rendered, without having to meet your deductible. Not all plans include copays. Copays are typically for office visits, generic prescriptions, and urgent care.

Coinsurance

Coinsurance is a percentage of costs that you pay after you have reached your deductible. With coinsurance, you pay a percentage of the medical bill and the health plan pays the remaining amount for covered services. It is similar to copayments, except you pay a percentage the medical bill rather than a fixed dollar amount.

Catastrophic coverage

This type of insurance has a high deductible. For regular and routine medical expenses, you will generally have to pay the full bill; it won't feel like you have insurance. However, if you have a serious illness or accident that requires expensive prescriptions or procedures, your catastrophic insurance will kick in and limit the amount you are responsible for paying for covered services.

Explanation of Benefits (EOB)

This is not a bill. It gives you details on how which medical expenses were paid by the health plan and the amounts that the health plan thinks you may be responsible for paying. The information in the EOB is not always correct, so review it closely and ask questions about anything that doesn't look correct.

Provider Networks

A provider network is made up of specific doctors, hospitals, clinics, and other health care professionals and facilities that the health plan has contracted with to provide services its members. Those providers are "in network." Doctors and hospitals who are not contracted with the health plan are "out of network." With a few exceptions, your plan will likely not cover services you receive from "out of network" providers. When you are evaluating different health plans it is important to look at which providers are in the plan's network.