Glossary of Health Coverage and Medical Terms

- This glossary defines many commonly used terms, but isn't a full list. These glossary terms and definitions are intended to be educational and may be different from the terms and definitions in your <u>plan</u> or <u>health insurance</u> policy. Some of these terms also might not have exactly the same meaning when used in your policy or <u>plan</u>, and in any case, the policy or <u>plan</u> governs. (See your Summary of Benefits and Coverage for information on how to get a copy of your policy or <u>plan</u> document.)
- <u>Underlined</u> text indicates a term defined in this Glossary.
- See page 6 for an example showing how <u>deductibles</u>, <u>coinsurance</u> and <u>out-of-pocket limits</u> work together in a real life situation.

Allowed Amount

This is the maximum payment the <u>plan</u> will pay for a covered health care service. May also be called "eligible expense", "payment allowance", or "negotiated rate".

Appeal

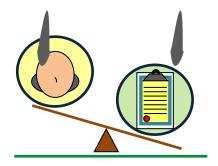
A request that your health insurer or <u>plan</u> review a decision that denies a benefit or payment (either in whole or in part).

Balance Billing

Deductible

An amount you could owe during a coverage period (usually one year) for covered health care services before your plan begins to pay. An overall deductible applies to all or almost all covered items and services. A plan with an overall deductible may

Individual Responsibility Requirement Sometimes called the "individual mandate",



How You and Your Insurer Share Costs - Example

Jane's Plan Deductible: \$1,500 Coinsurance: 20% Out-of-Pocket Limit: \$5,000

January 1st Beginning of Coverage Period **December 31**st End of Coverage Period





Jane pays Her <u>plan</u> pays 100%

Jane hasn't reached her \$1,500 deductible yet

Her <u>plan</u> doesn't pay any of the costs. Office visit costs: \$125 Jane pays: \$125 Her plan pays: \$0 Jane pays Her <u>plan</u> pays **80%**

Jane reaches her \$1,500

deductible, coinsurance begins

Jane has seen a doctor several times and paid \$1,500 in total, reaching her deductible. So her plan pays some of the

Office visit costs: \$125 Jane pays: 20% of \$125 = \$25 Her plan pays: 80% of \$125 = \$100

costs for her next visit.