

GLOSSARY: Common Health Care Terms

Health care and health insurance can be confusing — especially when commonly used words and terms are unfamiliar. We've put together this guide to commonly used phrases to help make engaging with your benefits and care a little easier.

Benefit: Any service or item covered by a health plan.

Coinsurance: The percentage of costs for care you are responsible for paying.

Copayment/Copay: The fixed amount you pay for medical services, such as office visits or prescription medicines.

Cost Share: The share of the costs for care that you are responsible for, including deductibles, copays, coinsurance, and other costs not covered by your health plan.

Coverage: The costs of your medical services and prescription drugs that your health plan pays.

Deductible: What you pay each year before your health insurance begins to make any payments for claims. Not all health plans require a deductible.

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

Health Maintenance Organization (HMO) Plan: In an HMO plan, you must see your Primary Care Physician (PCP) first for most medical issues. Your PCP will refer you to any specialists you may need to see.

Hospitalization: Care in a hospital that requires admission as an inpatient and usually requires an overnight stay. An overnight stay for observation could be outpatient care.

In-Network: Health plans contract with providers and health facilities. They are considered "in-network." When you get care from an in-network provider or use an in-network facility, you save money.

Network: A collection of providers and health care facilities who contract with a health plan to provide services to members at a rate that is less than their usual fees.

Non-Preferred Provider: A provider without a contract with your health insurer, resulting in higher service costs. Review your policy to determine if you can visit all contracted providers or if a "tiered" network requires extra payment for certain providers.

Out-of-Network: Providers and health care facilities who do not contract with your health plan. For most plans, if you go out-of-network, you will likely pay more.

Out-of-Pocket (OOP) Maximum: The most money you will spend in a plan year out of pocket for your medical or prescription drug coverage. After this point, the plan pays 100% of eligible expenses. The OOP may be separate for medical and prescription drugs.

Over-the-Counter (OTC): Medicines you can buy without a prescription.

Plan: A benefit your employer, union or other group sponsor provides to you to pay for your health care services.

Preauthorization/Precertification: A decision by your health insurer or plan that a health care service, treatment, prescription drug, or equipment is medically necessary. It may be required before receiving certain services (except in an emergency), but it doesn't guarantee coverage.

Preferred Provider Organization (PPO) Plan: In a PPO, the plan offers both in-network and out-of-network coverage. You can see any doctor but will pay less when you use an in-network provider.

Premium: The payment made for an insurance policy, usually monthly.

Prescription Drugs: Drugs and medications that by law require a prescription.

Primary Care Physician (PCP): A physician who acts as a primary source of health services for a member either directly or through coordination of services.

Rehabilitation Services: Health care services intended to help individuals regain or improve daily living skills lost due to illness, injury, or disability. This includes physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation.

Specialist: A provider who focuses on a specific area of medicine or a group of patients to diagnose, manage, prevent, or treat certain types of symptoms and conditions.

Urgent Care: Care for an illness, injury, or condition serious enough that a reasonable person would seek care right away, but not so severe as to require emergency room care.