

Glossary of Terminology

Terminology	Definition
Advanced Imaging CT and MRI scans	Computer-enhanced images. Most health plans cover them, but most individual health plans only pay part of the cost and may require pre-authorization. You pay the rest, through copays and co-insurance.
Allowed charge	A discounted fee that insurers negotiate with doctors, hospitals and other healthcare providers in their network. Negotiating charges reduces costs for you and for the insurance company. It is a key reason why insurers create incentives to use in-network providers and why you pay more when you don't. Unlike providers outside the network, those who are in-network have agreed to accept the discounted fees as full payment for services rendered. Each insurer has its own list of allowed charges.
Explanation of Benefits (EOB)	An explanation of benefits (commonly referred to as an EOB form) is a statement sent by a health insurance company to covered individuals explaining what medical treatments and/or services were paid for on their behalf.
Benefits	Services or supplies your health plan agrees to cover. Covered benefits and excluded services differ from plan to plan.
Claim	A request for payment that you, your doctor, a hospital or another health provider submit to an insurer for covered items or services.
Co-insurance Copay	A percentage of the charge for medical care that you must pay. A flat dollar amount you pay for a covered service, each time that you use the service.
Cost sharing	The arrangement that defines how you and an insurer pay for insured services or items. Co-insurance, copayment and deductibles are all forms of cost sharing
Deductible	The amount you pay out in an insurance plan year before your health plan begins to pay.
Denial	Denial is used to describe a health plan's refusal to pay for medical services that are deemed to be beyond the scope of a health plan.
Emergency room charges	The cost of a visit to a hospital emergency department. The majority of individual health plans do not cover the full cost of care. However, most plans offer only partial payment, requiring either a copay or coinsurance.
Exclusions	Items or services that are not covered under a given health plan and for which the plan won't pay. Exclusions are specified in your contract for insurance.
Hospitalization (hospital charges)	Most plans pay a percentage of these costs and shift some of the expense to you, through coinsurance after the deductible has been met.
Medically necessary	Services or supplies that meet accepted standards of medical practice and are essential for the diagnosis and treatment of your health condition.
Outpatient surgery (hospital charges)	Plans typically pay some of these costs and shift the rest to you, most often through coinsurance after the deductible has been met.
Out-of-pocket costs	These costs aren't covered by your health plan. Deductibles, co-insurance, copayments and some supplies or services are examples.
Out-of-pocket limit	Presumably the maximum amount you pay for covered services in a year. Many plans omit the deductible, coinsurance, and copayments from the total. Formulas differ from plan to plan.

Physician charges	Physician charges are generally billed separately from the facility charges. Most plans pay a percentage of these costs and shift the rest to you through copay or coinsurance after the deductible has been met.
Premium (monthly) Preventive care	The amount you pay a health insurer each month for health coverage. Services that prevent illness or detect illness at an early stage, such as flu shots and screening mammograms. Your insurance plan benefits should list covered preventive services. The vast majority of plans provide free preventive care.
Primary care visits	Primary care doctors perform routine medical exams and other uncomplicated medical services. They include internists, OB/GYNs and pediatricians.
Specialist visits	Some conditions require the care of a doctor with narrower but deeper skills than a primary care physician can offer.
Tests - diagnostic X-rays, and lab tests	Most health plans cover them, but the majority of individual health plans only pay part of the cost. You pay the rest, through copays and co-insurance.
Urgent care	Care for an illness, injury, or condition serious enough for immediate care but not so severe as to require emergency room care. Visiting an urgent care center may be cheaper than the ER. However, most plans offer only partial payment, requiring either a copay or coinsurance.