Health insurance terms and definitions

Do you know your copay from your coinsurance? How about the difference between your maximum out-of-pocket and your deductible? There's no doubt about it: health insurance is complicated. Here are a few health insurance terms to help you understand your health coverage better.

Benefit. This is the amount paid by the insurance company for an insured person's medical costs. Usually, the insurer pays the health care provider directly for covered services.

Claim. For every medical service you receive, you or your health care provider (usually the provider) must submit a claim. This is a request for the insurance company to pay for medical services. The insurance company processes the claim and either approves or denies it based on the terms of your policy.

Coinsurance. Some health plans require you to share in paying the cost for certain covered services. The percentage you pay is the coinsurance amount. For example, if the health plan pays 80%, you're responsible for paying the remaining 20% (coinsurance) for your coverage.

Copayment. A flat fee you pay for a covered service. For example, you might pay a $50 copay for every doctor visit.

Deductible. The amount of money you pay each year to cover your eligible medical expenses before your insurance policy starts paying.

Explanation of benefits (EOB). EOBs are the health insurance company's written explanation of how a claim was processed. They offer detailed information about what the insurer paid and what portion of the costs you must pay. It's not a bill.

Health maintenance organization (HMO). A health care financing and delivery system that provides comprehensive health care services for enrollees in a particular geographic area. HMOs require the use of specific, in-network plan providers.

Maximum out-of-pocket. Sometimes abbreviated as "Max OOP" or "MOOP." The amount that you pay to satisfy your deductible, copayments and coinsurance requirements. What you pay for your premium does not count toward your maximum out-of-pocket. Once the MOOP for the calendar year is met, you will not have to pay any further deductible, copayment or coinsurance amounts for that year. However, there may be other expenses.

Network. The group of health care providers and facilities that a health insurer has contracted with to provide you with health care services at discounted rates. You will generally pay less for services from providers in your network.

Point-of-service (POS). A type of managed care plan that allows customers to use in-network and out-of-network providers for their health care. Benefits for covered services received from out-of-network providers are usually less advantageous than benefits for services received from in-network providers.

Premium. The amount you and/or your employer pays each month in exchange for insurance coverage.

Prior authorization. There are certain services that might be covered, but that require you to ask for approval ahead of time. Please contact 866.631.5404 if you have questions about authorization.

Provider. This can be any health care worker (i.e., doctor, nurse) or institution (i.e., hospital or clinic) that provides medical care.

There are many more health insurance terms. If you have any questions along the way, call Customer Service at 866.631.5404 or visit our website at **aspirushealthcare.com**.