

Insurance Terminology 101

Navigate your insurance coverage with ease.

IMPORTANT EVENTS

Open Enrollment

Annual period where individuals and employees are able to choose or make changes to their health plan.

PROVIDER AND PLAN TYPES

In-Network

Healthcare provider is contracted with the insurance company, agrees to charge the client according to their benefits, and will be reimbursed according to the agreed upon allowance.

Out-of-Network

Provider is not contracted with the insurance companies and can charge the full rate. Client's benefits aren't guaranteed.

Individual Plans

Purchased directly from the insurance marketplace and payments are made to the insurance company.

Employer-Sponsored Plans

Enrolled in with your or a family member's employer.

INVOLVED PARTIES

Policy Holder

Employee/person responsible for enrolling in plan.

Dependent

Family member of policy holder (spouse, child, etc).

Payer

Common term for insurance companies.

PAYMENT TYPES

Allowance

How much a payer agrees to cover of the total cost of care.

Write-off

Difference between the total cost of care and the allowance.

Copay

Fixed amount paid by the client directly to the healthcare provider.

Deductible

Specific amount of money the client must pay before insurance covers any of the cost

Coinsurance

Percentage of allowance that the client pays to the healthcare provider. For example, client owes 20% and insurance covers the other 80%.

Health Savings Account (HSA)

Like a debit card with pre-taxed earnings to go towards qualifying care-related expenses.

Flexible Spending Account (FSA)

Like an HSA but owned by client's employer.

Health Reimbursement Account (HRA)

Account contributed to by the policy holder's employer to help offset healthcare expenses. Generally integrated with the insurer.