

Insurance Glossary

Co-insurance: Your share of the costs of a covered service, calculated as a percentage of the allowed amount for that service (for example, 20%) You pay your co-insurance plus any deductible you owe.

Copayment: A fixed dollar amount you pay for a covered service, usually at time of service. (for example, \$30)

In-network provider: Doctors, hospitals and other healthcare professionals who are under contract to provide services through your plan. They typically cost you less. You pay co-insurance plus any deductible you owe.

Out-of-network provider: Healthcare providers who are not under contract to provide services through your plan. They typically cost you much more.

Deductible: The amount you owe for covered healthcare services before your plan begins to pay. After you pay your deductible, you usually pay only a copayment or coinsurance for covered services. Your insurance company pays the rest

Out-of-pocket maximum: The most you pay during a policy period. After you have hit this maximum, your plan pays 100% of covered health services.

HSA-compatible: Denotes a qualified High Deductible Health Plan that can be paired with a Health Savings Account.

Premium: The amount you pay monthly for your health insurance plan.

Balance Billing: When a provider bills you for the difference between the provider's charge and the allowed amount. For example, if the provider's charge is \$100 and the allowed amount is \$70, the provider may bill you for the remaining \$30. A preferred provider may not balance bill you for covered services

Advance Premium Tax Credit (APTC)

A tax credit you can take in advance to lower your monthly health insurance payment (or "premium"). When you apply for coverage in the Health Insurance Marketplace, you estimate your expected income for the year. If you qualify for a premium tax credit based on your estimate, you can use any amount of the credit in advance to lower your premium.

- If at the end of the year you've taken more premium tax credit in advance than you're due based on your final income, you'll have to pay back the excess when you file your federal tax return.
- If you've taken less than you qualify for, you'll get the difference back.

Cost Sharing Reduction (CSR)

A discount that lowers the amount you have to pay for deductibles, copayments, and coinsurance. In the Health Insurance Marketplace, cost-sharing reductions are often called "extra savings." If you qualify, you must enroll in a plan in the Silver category to get the extra savings.

- When you fill out a Marketplace application, you'll find out if you qualify for premium tax credits and extra savings. You can use a [premium tax credit](#) for a plan in any metal category. But if you qualify for extra savings too, you'll get those savings only if you pick a Silver plan.

- If you qualify for cost-sharing reductions, you also have a lower out-of-pocket maximum — the total amount you'd have to pay for covered medical services per year. When you reach your out-of-pocket maximum, your insurance plan covers 100% of all covered services.
- If you're a member of a federally recognized tribe or an Alaska Native Claims Settlement Act (ANCSA) Corporation shareholder, you may qualify for additional cost-sharing reductions.

Cobra

A federal law that may allow you to temporarily keep health coverage after your employment ends; you lose coverage as a dependent of the covered employee, or another qualifying event. If you elect COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage, you pay 100% of the premiums, including the share the employer used to pay, plus a small administrative fee.

Formulary

A list of prescription drugs covered by a prescription drug plan or another insurance plan offering prescription drug benefits. Also called a drug list.

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