



## Glossary: Understanding Insurance Terms

Here is a list of insurance-related words you may need to understand.

**Benefit period:** The amount of time you are covered under the terms of your insurance plan.

**Benefits investigation:** Checking to see if a service or prescription is covered under your insurance plan.

**Coinsurance:** Your share of the cost of a covered healthcare service, usually a percentage of the allowed amount for the service (for example, 10%). You pay coinsurance after you've met your deductible.

**Co-pay:** A flat fee you pay for certain covered services such as a doctor's visit or prescriptions. The amount can vary depending on the type of insurance you have or the service being performed.

**Co-pay savings program:** Usually sponsored by a drug company, these programs offer assistance paying the co-pay portion of a particular treatment or service.

**Deductible:** A flat dollar amount you must pay out of your own pocket before your plan begins to pay for covered services.

**Exchange plan:** The insurance you set up through the Healthcare Marketplace.

**Income verification:** Proof of how much money you earn from your job or receive through government assistance.

**Inpatient:** Healthcare treatment you receive when you're admitted to a healthcare facility like a hospital or nursing facility.

**Medically necessary:** Healthcare services or supplies that are needed in order to diagnose or treat an illness, injury, disease, condition, or symptoms and that meet accepted standards of medicine.

**Medicare Advantage:** Also known as Medicare Part C. This Medicare plan is offered by a private company that contracts with Medicare to provide you with Medicare Part A and Part B benefits.

**Medicare-approved cost:** The amount Medicare will pay for a specific healthcare service or treatment.

**Medicare Part D:** A program that helps pay for prescription drugs for people with Medicare.

**Medigap:** Extra health insurance you can buy from a private company to pay healthcare costs not covered by original Medicare (for example, co-pays, deductibles, and healthcare if you travel outside the US).

**Minimum essential coverage:** The amount of insurance coverage a person needs to meet the individual responsibility requirement under the Affordable Care Act.

**Open enrollment period:** The time period when a person can sign up for a health insurance plan.

**Out of network:** When you receive healthcare services from providers who are not covered by your health insurance.

**Outpatient:** When you receive healthcare services without being admitted to a hospital or healthcare facility.

**Premium:** The amount of money that you must pay for health insurance. You (or your employer) may pay your premium every month, every quarter, or once a year.

**Prior authorization:** Getting your health plan's approval for a service or prescription ahead of time to be sure that service or prescription will be covered.

