**Glossary of Insurance Terms**

- **Deductible**: The cost you must pay for health care services, before your health insurance begins to pay.

- **Co-Insurance**: Your share of the costs of a covered health care service.
  
  ✓ Example: Office visit costs $100 and you have met your deductible. Your co-insurance is 20%, therefore your payment is $20.

- **Co-Payment**: Your fixed amount of payment (example: $10) for a covered health care service, usually paid when you receive the service.

- **In-Network**: The facilities, providers and suppliers your health insurance has contracted with to provide health care services.

- **Out-of-Network**: A provider who does not have a contract with your health insurance to provide services to you. You will pay more out of pocket when you receive services.

- **Primary Care Physician (PCP)**: A physician, nurse practitioner, clinical nurse specialist or physician assistant, who provides, coordinates or helps you access a range of health care services.

- **Specialist**: A physician who focuses on a specific area of medicine.

- **Generic Drug**: Drug that is the same as a brand name drug in dosage, safety, strength, how it is taken, quality, performance, and intended use. Before approving a generic drug product, FDA requires many rigorous tests and procedures to assure that the generic drug can be substituted for the brand name drug. A generic drug can also be known as a preferred drug.

- **Formulary**: A drug formulary is a list of prescription drugs, both generic and brand name, that are preferred by your insurance company.

- **Non-Formulary**: Drug that is not on the insurance companies list of preferred drugs. Usually there is an alternative of the drug that is approved.
Preferred Provider Organization (PPO)

- A managed care group that contracts with a network of “preferred” providers to provide health care services at reduced rates.
- You are not required to select a primary care physician (PCP) and you do not need referrals to see other providers in the network.
- Offers a larger network of contracting doctors and hospitals to choose from when care is needed.
  - **In-Network Providers**
    - Out-of-pocket costs are less & highest level of benefit is received
  - **Out-of-Network Providers**
    - Coverage is still provided, but out-of-pocket costs will be higher
  - Access to care anywhere you live, work, or travel across the country and around the world.

Health Maintenance Organization (HMO)

- A managed care group that provides services & supplies through its own network of doctors, hospitals and other health care facilities.
- Reduces medical care costs by keeping you healthy and managing the costs that are incurred.
- You are required to select a primary care physician (PCP) who must provide and arrange your care. You will also need referrals to see other providers/specialists.
- Some of the PCP’s responsibilities include:
  - Giving you regular checkups.
  - Providing treatment when you are ill.
  - Ordering necessary X-rays, lab work and other tests.
  - Referring you to a specialist, if medically necessary.
  - Arranging for outpatient treatment or hospitalization.
  - Filing your claims.
- If you receive care from any other source without prior authorization from your PCP, your services **will not be covered**, except in life-threatening emergency situations.

*If you have a medical emergency, go to the nearest hospital even if the hospital is not in the network.*
Which Plan is Right for You?

• What are your anticipated medical expenses?
• What can you afford to pay out-of-pocket (in terms of deductibles and copayments) if you or a covered dependent needs medical care?
• Do you have a doctor or specialist whom you want to keep seeing, or would you be willing to switch to a network doctor if necessary to pay less for coverage?
• Do you travel often?
• Do any of your dependents need routine medical care in an out-of-state location?