

Frequently Asked Questions (FAQ's) About Health Insurance

What is COBRA?

Consolidated Omnibus Budget Reconciliation Act of 1986. Terminated employees or those who lose coverage because of reduced work hours may be able to buy group coverage for themselves and their families for limited periods of time.

What is Co-insurance?

The amount you must pay for medical care in a point-of service plan (POS) or preferred provider organization (PPO) after you have reached your deductible. It is often a percentage of bills charged.

What is a Co-payment?

A charge you pay for medical services. Your health care plan covers the remaining medical charges. As an example, you may pay \$10.00 for an office visit or a prescription.

What is a Deductible?

The amount of money you must pay each year for coverage to your medical care expenses, before your insurance policy begins to pay.

What are Exclusions?

Specific conditions or circumstances in which the policy will not offer benefits.

What is a Fee-for-Service?

Payment agreements for health care in which the provider is paid for each service, rather than a pre-negotiated amount for the patient.

What is HIPAA?

Health Insurance Portability and Accountability Act of 1996. It is designed to protect health insurance coverage for workers and their families when they change or lose their jobs.

What is an HMO (Health Maintenance Organization)?

Prepaid health plans for which a premium is due each month. The HMO covers your cost of care to see a doctor within their working network at pre-negotiated rates. You are required to choose a primary care physician who takes care of you and makes referrals to any specialists you may need. If you, as an HMO member, do not use the doctors, hospitals and clinics that do not participate in your plan's network, you may be required to pay the cost of those medical services.

What is an IPA (Independent Practice Association)?

An independent group of physicians who unite with an HMO to offer services for the HMO members.

What is a Lifetime Maximum?

The maximum percentage of benefits available to a member during their lifetime, in which, all benefits served are subject to this limit unless stated as unlimited.

What is a MSA (Medical Savings Account) ?

A tax-advantaged personal savings account used along with a high deductible health policy. You may deposit money into this account on a pre-tax basis to set aside money for medical care and expenses that qualify, including annual deductibles and co-payments.

What is an Out-Of-Pocket Maximum?

The highest amount of money you will pay in a year for deductibles and coinsurance plus regular premiums.

What is a Point-Of-Service (POS) Plan?

A certain managed care plan combining features of health maintenance organizations (HMOs) and preferred provider organizations (PPOs). You may choose whether to go to a network provider and pay a flat dollar amount or to an out-of-network provider and pay a deductible and/or coinsurance charge

What is a Pre-existing Condition?

A health problem that existed or was treated before your insurance became in effect. Most health insurances have a pre-existing condition plan that describes under what conditions they will cover medical expenses that relate to a pre-existing condition.

What is a PPO (Preferred Provider Organization)?

A network of health care providers that offers medical services to health plan members at a discounted cost. PPO members usually make their own decisions about their health care instead of going through a primary care physician like an HMO member. The costs to use physicians within the PPO network are less than using a non-network provider.

What is a Premium?

The amount you must pay in exchange for health insurance coverage.

What is a Primary Care Physician?

Under a health maintenance organization (HMO) or point-of-service (POS) plan, a primary care physician is often the first contact for health care. It is usually a family physician, internist, or pediatrician. A primary care physician makes referrals to specialists if necessary.

What is a Provider?

Any person (doctor or nurse) or institution (hospital, clinic, or laboratory) which is certified, that provides medical care.

What is Well Baby?

Health services, which include immunizations provided by the member's participating

medical group, up to a certain age as specified by the carrier. This benefit is usually provided in HMO plans and/or POS plans. The level of benefit will vary for PPO plans if specified as a benefit.