

# Glossary of Health Care and Coverage Terms

Health care and coverage come with unfamiliar terms. This glossary is a simple, friendly guide to help explain the ones you'll see most often. Understanding them can help you make more confident choices about your benefits and better navigate your coverage.

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## **ALLOWED AMOUNT**

This is the most your plan will pay for a covered health care service. It may also be called the eligible expense, payment allowance, or negotiated rate.

## **BALANCE BILLING**

When an out-of-network provider bills you for the part of the bill your health benefits don't cover, that's balance billing. It's the difference between what the provider charges and the allowed amount.

## **BRAND NAME DRUG**

A prescription or over-the-counter medication sold under a specific trademarked name by the company that developed it. It's typically protected by a patent, which means only that company can sell it.

## **BUY-UP/PLAN MEMBER BUY-UP COST**

When ELCA Health Plan members choose a higher-priced ELCA-Primary health benefit option than the one their employer selected to offer for the plan year, the cost difference is called the buy-up cost. This amount is typically paid by the sponsored member through payroll deduction. Your organization can decide whether or not to deduct the buy-up cost from members' paychecks.

## **CENTER OF EXCELLENCE**

A health care provider or facility recognized for delivering high-quality, specialized care for certain conditions or procedures, and identified by the health plan administrator. These centers bring together experienced clinicians and proven approaches to improve outcomes and help ensure care is both effective and a wise use of shared health plan resources.

## **CLAIM**

A request you or your provider sends to your health plan asking it to pay for items or services you believe are covered, including reimbursement for a health care expense.

## **COINSURANCE**

The specified percentage of eligible expenses you're required to pay. You pay a coinsurance percentage until annual out-of-pocket limits have been reached.

The coinsurance percentage varies by your health benefit option and whether the provider is in-network or out-of-network.

## **CONTRIBUTIONS**

This is the amount paid on a regular basis to purchase the health benefits you select for the year. This term is used by the ELCA Health Plan for what is commonly known as monthly premiums. The employer makes a contribution to sponsor a member (and eligible dependents) in the ELCA Health Plan (either ELCA-Primary or ELCA Medicare-Primary). In some cases members pay part of the contribution, generally via pretax payroll deduction.

## **COPAY**

You pay a fixed amount (for example, \$10) when you receive certain covered health care services. The copay amount varies by your health benefit option, the type of service, and whether the provider is in-network or out-of-network.

## **COST-SHARING**

Cost-sharing describes, on average, what portion of health care costs is paid by employer health contributions, and what portion is paid by members through out-of-pocket costs. Importantly, it is a general measurement used to design health benefits for an entire population. An individual plan member's costs will always be determined by the specific health care costs they incur and may not align with the cost-sharing assigned to their benefit option.

## **DIAGNOSTIC TEST**

A test that helps your provider figure out what's causing a health problem. Diagnostic tests generally have an associated cost, as opposed to preventive tests that may be covered 100% by the health plan.

## **DURABLE MEDICAL EQUIPMENT (DME)**

Equipment and supplies your provider prescribes for everyday or long-term use. This could include oxygen equipment, wheelchairs, and crutches.

## **DEDUCTIBLE**

Each plan year, you must pay for covered health care services up to your deductible amount before the health plan starts to pay for a percentage of eligible expenses. (Contributions and, in some cases, copays don't count toward the deductible.) Your deductible varies by your health benefit option, individual vs. family, and whether the provider is in or out-of-network.

## **ELCA MEDICARE-PRIMARY HEALTH BENEFITS**

Health benefits available to ELCA Health Plan members and their eligible family members who are age 65 and over (unless sponsored by an organization with 20 or more employees); also includes those under age 65 where the member is eligible or should be eligible for Medicare as the primary payer due to a disability.

## **ELCA-PRIMARY HEALTH BENEFITS**

Health benefits available to ELCA Health Plan members and their eligible family members who are under age 65, except those who are eligible for or should be eligible for ELCA-Medicare Primary coverage due to a disability; also includes those age 65 and over who are sponsored by an organization with 20 or more employees.

## **EMERGENCY ROOM CARE / EMERGENCY SERVICES**

You may receive this care in a licensed hospital's emergency room. Services to check for an emergency medical condition and provide treatment so the condition doesn't get worse.

## **EXCLUDED SERVICES**

Health care services not paid for or covered by a particular plan.

## **FLEXIBLE SPENDING ACCOUNT (FSA); HEALTH FLEXIBLE SPENDING ACCOUNT**

A tax-advantaged account that allows eligible members to set aside pretax dollars for eligible health care expenses. Money not used by the end of the year is forfeited. Also see Limited-purpose health flexible spending account.

## **EXPLANATION OF BENEFITS (EOB)**

A statement from your health plan that shows how a medical claim was processed, including what was billed, what the plan paid, and what you may owe. It's not a bill.

## **FORMULARY**

A list of the drugs covered by your plan. A formulary may show your share of the cost for each drug. Your plan may sort drugs into different cost-sharing levels, or tiers, such as generic or brand-name drugs.

## **GENERIC DRUG**

A medication with the same active ingredient as a brand name drug that works the same way but is typically offered at a lower cost once the original drug's patent expires.

## **HEALTH COVERAGE LEVEL**

Describes which family members are covered by the ELCA Health Plan. Health coverage levels are:

- Member
- Member and children
- Member and spouse
- Member, spouse, and children
- Waived self and family

## **HEALTH INSURANCE EXCHANGE (aka MARKETPLACE)**

An online marketplace where individuals can buy health insurance. Created by the Patient Protection and Affordable Care Act of 2010. Each state has one either operated by that state, the federal government, or a state-federal partnership.

## **HEALTH SAVINGS ACCOUNT (HSA)**

A tax-advantaged account that allows eligible members to set aside pretax dollars, and participating employers to contribute, for eligible health care expenses. Money in an HSA earns interest, is not forfeited at year end, and is the member's to keep even if they leave the ELCA Health Plan. Members contributing to an HSA cannot have a health flexible spending account (FSA) but can have a limited-purpose health flexible spending account (FSA).

## **HIGH-DEDUCTIBLE HEALTH PLAN (HDHP)**

A health plan that meets specific IRS rules for deductible and out-of-pocket expenses. Only plan members covered by an HDHP can contribute to a health savings account.

## **HOME HEALTH CARE**

Health care services and supplies you receive in your home under your doctor's orders. Nurses, therapists, social workers, or other licensed providers may deliver this care. Typically doesn't include help with non-medical tasks.

## **LIMITED-PURPOSE HEALTH FLEXIBLE SPENDING ACCOUNT (FSA)**

A limited-purpose health FSA is available to eligible members who have an HSA. The limited-purpose health FSA allows members to be reimbursed with pretax dollars for eligible dental and vision expenses. After meeting the plan deductible, it functions like a traditional health FSA, allowing use for post-deductible medical, mental health, and prescription drug expenses.

## **MEDICALLY NECESSARY**

Services or supplies furnished by a provider that is needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms, including habilitation, that meet accepted standards of medicine and plan requirements.

## **MULTIPLE EMPLOYERS**

When a sponsored plan member works for two or more employers that each sponsor them in the ELCA benefits program. These employers both contribute to the cost of providing health benefits to the plan member.

## **NETWORK**

The facilities, providers, and suppliers the health plan has contracted with to provide health care services are in-network. In-network health care services generally cost less, and out-of-network services cost more or may not be covered. You have a separate deductible, coinsurance, and out-of-pocket limit for in- and out-of-network services.

## **ORTHOTICS AND PROSTHETICS**

Orthotics enhance or correct a body part that doesn't function properly, such as a back brace or neck brace. Prosthetics are artificial replacements for missing body parts, such as legs, arms, and eyes.

## **OUT-OF-POCKET COSTS**

Medical expenses that aren't paid for by your health plan, including deductibles, coinsurance, and copays for covered services plus all costs for services that aren't covered.

## **OUT-OF-POCKET LIMIT**

This is the most you could pay out-of-pocket for covered health care services during a plan year. After you meet this limit, the health plan generally pays 100% of eligible expenses. (Your contributions and certain other expenses don't count toward this limit.)

## **OUTPATIENT CARE**

Care that usually doesn't require an overnight stay.

## **PHYSICIAN SERVICES**

Health care services that a licensed physician provides or coordinates.

## **PREMIUM**

See Contributions.

## **PRESCRIPTION DRUG COVERAGE**

Coverage under a plan that helps pay for prescription drugs. If the plan's formulary uses tiers (levels), drugs are grouped by type or cost. The amount you pay in cost-sharing will differ for each tier of covered prescription drugs.

## **PREVENTIVE CARE**

Routine health care services, including immunizations, screenings, and checkups to help prevent and identify health issues early.

## **PRIMARY CARE PROVIDER**

The provider who delivers, coordinates, or helps you access a range of health care services. This may be a physician, including an M.D. (Medical Doctor) or D.O. (Doctor of Osteopathic Medicine), a nurse practitioner, a clinical nurse specialist, or a physician assistant, as allowed under state law and the terms of your plan.

## **PRIOR AUTHORIZATION & PRECERTIFICATION**

A decision by your health plan prior to receiving services or being admitted as an inpatient that a service, treatment plan, prescription drug, or durable medical equipment (DME) is medically necessary. Your plan requires prior authorization and precertification before you receive certain services, except in an emergency.

## **RECONSTRUCTIVE SURGERY**

Surgery and follow-up treatment needed to correct or improve a part of the body affected by birth defects, accidents, injuries, or medical conditions.

## **REFERRAL**

A written order from your primary care provider that allows you to see a specialist or get certain health care services. In many health maintenance organizations (HMOs), you need a referral before you can see anyone other than your primary care provider. The ELCA-Primary health benefit does not require referrals.

## **REHABILITATION SERVICES**

Health care services that help you keep, regain, or improve skills and functioning for daily living that were lost or impaired by illness, injury, or disability. These services may include physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation in a variety of inpatient and/or outpatient settings.

## **SCREENING**

A type of preventive care that uses tests or exams to detect a disease or condition, usually when you have no symptoms, signs, or related medical history.

## **SKILLED NURSING CARE**

Services performed or supervised by licensed nurses in your home or in a nursing home. This is not the same as skilled care services, which are performed by therapists or technicians rather than licensed nurses, in your home or in a nursing home.

## **SPECIALIST**

A provider who focuses on a specific area of medicine or group of patients to diagnose, manage, prevent, or treat certain symptoms and conditions.

## **SPECIALTY DRUG**

A type of prescription drug that usually needs special handling, ongoing monitoring by a health care professional, or is harder to dispense. Specialty drugs are generally the most expensive drugs on a formulary.

## **SPONSORED COUPLE**

When a sponsored plan member and spouse are each employed by a participating employer that provides ELCA benefits. They can choose to enroll in ELCA health benefits either as a couple or as individuals. If enrolled as a couple, their employers contribute to the cost of providing health benefits to the family.

## **SPONSORED PLAN MEMBER**

Individuals who are called or employed by an eligible organization and receive ELCA benefits provided by that organization.

## **STEP THERAPY**

A health plan requirement that you try a lower-cost or preferred medication first before a more expensive option will be covered.

## **TAX-ADVANTAGED ACCOUNTS**

A financial account that allows the owner to receive special treatment by federal and most state tax laws for the purpose of tax savings. Contribution and withdrawal rules vary by account type. Portico offers the following tax-advantaged health accounts (see definitions in this glossary): health flexible spending account (FSA), limited-purpose health flexible spending account (FSA), and health savings account (HSA).

## **TELEMEDICINE**

Health care provided remotely using technology, such as video calls, phone, or online messaging, allowing you to connect with a provider without an in-person visit.

## **UCR (USUAL, CUSTOMARY, AND REASONABLE)**

The amount paid for a medical service in a geographic area, based on what providers there usually charge for the same or a similar service. The UCR amount is sometimes used to set the allowed amount.

## **URGENT CARE**

Care for an illness, injury, or condition serious enough that a reasonable person would seek help right away, but not so severe that it requires emergency room care.