

Glossary A - I

Accumulating Deductible	The amount paid on individual deductibles is credited and accumulates toward a common family deductible. Once deductible charges add up to the family deductible, no further individual deductibles are due for the year.
Affiliation Period	A period that may be imposed by an HMO in lieu of a pre-existing condition exclusion period of up to two months (three months for a late-enrollee) where no payment is due and no coverage is provided.
Alternative Care	Treatment provided by a chiropractor, naturopath, acupuncturist, or massage therapist as an alternative to medical treatment performed by a physician.
Cafeteria Plan	A Flexible Spending Account (FSA) plan usually incorporating all four types of FSA expenses allowable by the IRS and invoking the use-it-or-lose-it provision.
Captive Agent	An insurance agent representing a single insurance company or health plan
Carry-Over Deductible	Those expenses occurring in the last three months of the year, in a year where you have not met your current year's deductible, are carried over and applied to next year's deductible.
Certificate of Creditable Coverage	A certificate from your prior health insurance carrier describing how much creditable coverage you have and stating when your prior coverage ended.
COBRA	Consolidated Omnibus Budget reconciliation Act of 1986 giving certain employees and their dependents the right to continue their current coverage, at their expense and on a temporary basis, after their group health insurance would otherwise terminate.
Coinsurance	Those medical expenses covered on a shared basis between the insured and the insurance company or health plan usually expressed as a percentage as in 20%/80% where the insured pays a 20% share and the insurance company pays an 80% share.
Commission	A small percentage of the premium paid to an insurance agent or producer for assisting you in applying for coverage and providing continuing service after the purchase. Usually built into the premium and paid regardless of whether purchasing through an agent or directly from the company
Common Application	Refers to the application of either the deductible, shared expenses coinsurance), or both in a preferred provider or point-of-service plan. Medical expenses are applied to a single deductible or coinsurance amount resulting in less potential out-of-pocket expenses than if applied separately
Continuation	The right to continue health insurance after no longer eligible for coverage under a group plan if meeting certain conditions. Referred to as COBRA continuation for group of 20 or more

employees. State continuation plans for smaller groups apply in some states.

Contracted Provider	A medical provider who has an agreement or contract with an insurance company or health plan to accept a set schedule of fees for specified medical services performed.
Contracted Rate	The rate providers have agreed to accept for providing a specified medical service in accordance with the terms of a contract. May be likened to a discounted price from a retail price for services.
Copay	A small dollar amount due at the time of service and based on a per-visit or per-occurrence basis. A typical example would be physician visit copay due when visiting his office.
Co-payment	See Copay
Creditable Coverage	Credit for recent prior coverage towards any pre-existing condition exclusion period imposed by a new plan. Credit is on a day-for-day basis and recent coverage must have been within 63 days unless a longer period is allowed by state regulations.
Deductible	The amount, usually on a per calendar year basis, that you pay for medical services in a year before the insurance company or health plan pays any claims on services subject to the deductible. After the deductible has been satisfied, the insurance company shares expenses with you until the out-of-pocket limit is reached for that year.
Durable Medical Equipment	Medical supplies or equipment such as wheelchairs, walkers, oxygen, artificial limb replacements, dentures, and mechanical devices used to assist in mobility or supplement the joints and limbs that may be covered by an insurance policy.
EPO	See Exclusive Provider Organization
Exclusion Period	That period of time, when starting coverage on a new health insurance policy, during which coverage for pre-existing conditions is not provided. Coverage for pre-existing conditions starts at the end of the exclusion period.
Exclusions	Services excluded from coverage.
Exclusive Provider Organization	The provision of a medical service in exchange for a fee. This is now commonly used to describe traditional insurance or indemnity plans where the insured has the freedom to go to any medical provider and the insurance company pays on a usual, customary and reasonable basis.
FICA Tax	Federal Insurance Contributions Act (FICA) tax consisting of a Social Security tax of 6.2% and a Medicare tax of 1.45%.
Flexible Spending Account	A Flexible Spending Account or FSA is an account established by an employer that allows his employees to contribute a portion of their salary each month, income tax-free to them and salary tax-free to their employer, for the purpose of paying for their health care expenses and any portion of health insurance premiums

	they may be responsible for. It is not available for self-employed individuals or individual employees on their own. Congress authorized the FSA under the Revenue Act of 1978 and the FSA is subject to IRS regulations and guidelines. It is sometimes referred to as a Section 125 plan after the IRC section number. Any health insurance policy approved in Oregon as an employee benefit plan can be used in conjunction with an FSA plan.
Formulary	A list of prescription drugs selected by an insurance company or health plan and considered "formulary", "preferred", or "approved" drugs. Prescription drugs are chosen based upon clinical information and price and the list is referred to as a formulary drug list.
FSA	See Flexible Spending Account
FUTA	Federal Unemployment Tax Act (FUTA) tax of 2.64% plus any surcharges in effect for the year. A contingency assessment of .06% is also added.
Gate-Keeper	A Primary Care Physician who is responsible for all your health care and controls your access to specialists through the use of a required referral system.
Health Insurance	A group of individuals, usually in a metropolitan area, county, geographic region, or state, who pool their money to cover a portion of the medical expenses of the group. The more of your medical expenses you want paid, the more money you contribute to the group each month in the form of a premium. The insurance company manages the pool of money for the group and incurs administrative expenses on the group's behalf.
Health Maintenance Organization	A Health Maintenance Organization (HMO) is a health plan that consists of a network of contracted doctors and hospitals to provide treatment to members of the HMO's plans. An HMO may consist of dedicated facilities where all care is received at the HMO's facilities or selected individual physicians, hospitals and other service providers contracted on an individual basis. An HMO uses the Primary Care Physician (PCP) concept to coordinate all your health care.
Health Plan	A health-care-service contractor or health-maintenance organization. Commonly used interchangeably with the term insurance company.
Health Reimbursement Arrangement	A Health Reimbursement Arrangement or HRA is a combination of any health insurance policy state approved as an employee benefit plan and a separate arrangement to reimburse employees for all or a portion of the qualified medical expenses not paid by the health insurance policy. An HRA is quite often referred to as a Health Reimbursement Account (Accounts); however it does not require the establishment of a separate funding account, as does a Medical Savings Account (MSA) plan.
Health Savings Account	Health Savings Accounts or HSA plans are new for 2004 and allow you to save money to pay for medical expenses on a tax-

free basis. An HSA is similar to a Medical Savings Account (MSA) except any individual under age 65 can participate while an MSA is limited to self-employed individuals. An employer can also offer an HSA to his employees, through a Flexible Spending Account (FSA) commonly referred to as a cafeteria plan, and both the employer and employees can contribute to the savings account.

Highly Compensated Employee Average Benefit Test	An employee or owner who meets specific compensation and/or ownership criteria and are considered a group which generally cannot be discriminatorily favored under a qualified plan for coverage, participation, contributions or available benefits or rights.
HIPAA	Health Insurance Portability and Accountability Act of 1996 (HIPAA) best know for protecting health insurance coverage for workers and their families when they change or lose their jobs and privacy of information among other items.
HMO	See Health Maintenance Organization
Hospital Accident Policy	A policy that pay expenses incurred for hospitalization and surgical procedures due to sickness or accidental injuries, including procedures such as CT Scans and MRIs, and certain post hospitalization expenses. Also referred to as a Hospital Surgical policy.
HRA	See Health Reimbursement Arrangement
HSA	See Health Savings Account
Indemnity	Used to describe a policy that provides compensation for damage, loss or injury suffered. See also Fee-For Service.
Independent Agent	An insurance agent or insurance producer who is not an employee of an insurance company or health plan and is free to represent more than one company.
In-Network	Refers to services received within the insurance company's or health plan's network of approved or contracted providers.
Insurance Agent	A person required to be licensed under the laws of a state to sell, solicit or negotiate insurance. Now referred to as an Insurance Producer.
Insurance Broker	An insurance agent or insurance producer who is not an employee of an insurance company or health plan and represents several insurance companies.
Insurance Carrier	See Insurance Company
Insurance Company	A insurance company, insurance carrier or insurer licensed to conduct business in a state.
Insurance Producer	A person required to be licensed under the laws of a state to sell, solicit or negotiate insurance.