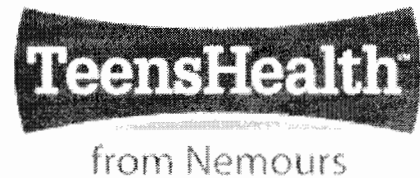


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Health Insurance: Cracking the Code

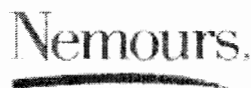
Health insurance has a language all its own. Here are some words you'll need to know:

- **Claim:** A detailed explanation of medical services that you or your doctor must submit to the insurance company in order to be reimbursed.
- **Coinsurance:** Similar to a co-payment except that instead of paying a fixed amount, you pay a percentage of the total cost. (Example: You have surgery that costs \$5,000. You might have to pay 20%, or \$1,000, while your health plan pays the other 80%, or \$4,000.)
- **Co-payment (or co-pay):** The portion of the bill you are responsible for each time you receive a service. (Example: When you go to the doctor after you've reached your deductible, you may no longer have to pay the full \$100; instead you may pay a \$25 co-pay, while your insurance picks up the other \$75.)
- **Coverage limits:** This means your health plan may stop paying once you reach a certain annual or lifetime maximum dollar amount.
- **Deductible:** The amount you must pay out of your own pocket before your insurance company will start paying for services. (Example: If you have a \$500 deductible per year, and each doctor's visit costs you \$100, your insurance may not kick in until you've been to the doctor five times.)
- **In-network provider:** Any doctor, hospital, or other provider of medical services that has agreed to be in your insurance company's network and to offer their services at discounted rates. Also called a **participating provider**. (Compare with **out-of-network provider**, below.)
- **Non-covered services:** Services that are not covered under your insurance policy, which means you will be responsible for all charges if you choose to get them. Examples of services that are frequently not covered include cosmetic surgery, chiropractic care, and alternative therapies like acupuncture.
- **Out-of-network provider:** Any doctor, hospital, or other provider of medical services that has not set up special rates with your insurance company. If you choose to use an out-of-network provider, your insurance may not pay as much toward that appointment — or your visit may not be covered at all. You have to pay the difference (or the entire fee) out of your own pocket. (Compare with **in-network provider**, above.)

- **Out-of-pocket maximum:** This is the dollar amount that *your portion* of health care costs cannot exceed each year. (Example: If your annual out-of-pocket maximum is \$10,000 — and you have doctor's visits, procedures, and medication co-pays that have gone over that amount — your insurance will cover any further claims at 100%.)
- **Policy:** A contract between an insurance company and an individual that provides coverage for health costs in exchange for a set payment.
- **Precertification:** When you need to let your insurance company know in advance about any medical tests or procedures the doctor has ordered. If your insurance company requires precertification and you do not do this before receiving treatment, the procedure may not be covered.
- **Pre-existing condition:** Any injury or illness that existed before the date when your current policy started. Pre-existing conditions may not be fully covered.
- **Premium:** The amount you pay to the insurance company each month to buy health coverage.
- **Primary care doctor/primary care physician:** A doctor (usually a family practice or internal medicine doctor) who coordinates all your medical care, from annual physicals to referring you to specialists.
- **Referral:** When your insurance company requires your primary care doctor to authorize any visits to other doctors or specialists. If you don't get a referral, your visit may not be covered.
- **Usual, customary, and reasonable:** Terms that refer to the amount typically charged by health care providers for similar services in the area you live in. (Example: Your dermatologist charges \$200 for an office visit, but most other dermatologists in your area charge \$150. Your insurance company may reimburse based on a charge of \$150.)

Reviewed by: Cory Ellen Nourie, MSS, MLSP

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