

# Glossary of Essential Health Insurance Terms



Here is a collection of commonly used terms when talking about healthcare coverage and payments.

**Allowed Amount** - Maximum amount insurer will pay for covered healthcare services. If provider is not In Network and the charge is higher than this amount, patient may be billed for the difference.

**Benefits** - Services that are covered under a health insurance policy.

 **Coinsurance** - The patient share of the costs of a covered healthcare service, calculated as a percent (for example, 20%) of the allowed amount for the service.

 **Copay** - A fixed amount paid by the patient for a covered healthcare service, usually when service is received. The amount can vary for primary care and specialty care.

 **Deductible** - The amount a patient must pay for healthcare services before the health insurance plan begins to pay for services received. Some services do not require the deductible be met, such as some preventative services.

**Explanation of Benefits (EOB)** - A statement sent by the health insurer to patients after the visit explaining what portion of the medical treatment or services were covered. This usually is not a bill.

**Health Insurance** - A contract that requires your health insurer to pay some or all of your health care costs in exchange for a premium paid by patients. Health insurance can be provided by private companies or government programs.

**High-deductible health plan (HDHP)** - A health insurance plan with lower premiums and higher deductibles than a traditional health plan.

**In Network** - The facilities, providers and suppliers your health insurer or plan has contracted with to provide health care services, usually at a discounted rate.

**Out of Network** - The facilities, providers and suppliers that are not contracted with your health insurer and do not offer discounted rates. Deductibles may be higher.

 **Patient Responsibility** - The total amount due from the patient for services received from a healthcare provider.

**Premium** - The amount the patient and/or employer must pay for a health insurance policy or plan.



= Patient's out-of-pocket expenses paid to the medical practice

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