Glossary of Terms

Small Group: **EFFECTIVE 1.1.2016**: A business that has 2-100 employees and has at least one "common law" employee *insured by the company*. Non-spousal partnerships qualify as small groups.

Common Law Employee Under common-law rules, anyone who performs services for you is your employee *if you can control what will be done and how it will be done.* The common law test to determine control would look at the behavioral control, financial control and the type of relationship between the parties. ***The sole owner of a business or a spouse of the sole owner are NOT considered "employees".***

Sole Proprietor A person who receives a 1099 or one who has a business, files a Schedule C (EZ), OR a husband/wife partnership.

Standard Plans Standard Plans are based solely on the minimum essential benefits as required in federal and state regulations and requirements.

Non-Standard Plans Non-Standard Plans contain all of the minimum essential benefits but show flexibility in pharmacy, deductibles and cost sharing.

Deductible An annual deductible is the dollar amount a member has to pay out-of-pocket each year for certain health care services before the insurer (health insurance company) will cover a portion, if not all, of the member's remaining eligible expenses.

Embedded Deductible In a contract insuring more than one person**,** once an insured family member meets the *single* deductible amount of the plan,that persons' co-pays or co-insurances begin. An embedded deductible can be met by one or more insured family members.

Aggregate Deductible In contracts insuring more than one person, an aggregate deductible must be met in full by *all those insured* before co-pays or co-insurances begin. All members on the contract must contribute to the deductible.

Out-of-Pocket Costs Your expenses for medical care that MAY OR MAY NOT BE reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services, plus all costs for services that aren't covered.

Out-of-Pocket (OOP) Max The annual out-of-pocket (OOP) maximum is the most a member will personally pay for their health care expenses in a health plan contract year *excluding* monthly premium. Additional allowable charges for care the member receives *after* meeting this OOP maximum is covered in full.

Integrated Rx Deductible The entire plan deductible must be met before medication is covered at the copay or coinsurance level.

Non-Integrated Rx Deductible Pharmacy has its own deductible and is the only deductible that must be met for medication to be covered at the copay or coinsurance level.

Coinsurance The percentage of allowed charges for covered services that you're required to pay. For example, health insurance may cover 80 percent of charges for a covered hospitalization, leaving you responsible for the other 20 percent. This 20 percent is known as the coinsurance.

Copayment A flat dollar amount you must pay for a covered program. For example, you may have to pay a copayment for each covered visit to a primary care doctor.

Cost-Sharing The share of costs covered by your insurance that you pay out of your own pocket. This term generally includes deductibles, coinsurance and copayments, or similar charges, but it does not include premiums, balance billing amounts for non-network providers, or the cost of non-covered services.

Health Savings Account (HSA) A medical savings account available to taxpayers who are enrolled in an eligible high deductible health plan. The funds contributed to the account are not subject to federal income tax at the time of deposit. Funds may only be used to pay for qualified medical expenses until age 65; after age 65 money can be withdrawn for any reason & is taxed at that time as income. Unlike a flexible spending account (FSA), the account belongs to the person, is portable, & funds roll over year to year if you don't spend them.

High Deductible Health Plan A plan that features higher deductibles than traditional insurance plans. Qualified HDHPs can be combined with a health savings account or a health reimbursement arrangement to allow you to pay for qualified out-of-pocket medical expenses on a pre-tax basis.

Preventive Services Routine health care that includes screenings, checkups, and patient counseling to prevent illnesses, disease, or other health problems. The Affordable Care Act expanded the amount of preventive services that are provided at no cost to members.

Participation Requirement In an employer group business, the minimum number of persons the carrier requires be insured for the group to qualify.