Access to Coverage: Health Insurance

Glossary of Common Terms

These definitions represent a general use of the term. Some words and/or phrases may be defined differently or used in a context such that the definition shown may not be applicable. For a full glossary of health insurance terms, visit healthcare.gov/glossary.

A

Activities of Daily Living (ADLs) - things we typically do every day; including any daily activities we perform for self-care; examples include feeding ourselves, bathing, dressing, grooming, work, and leisure.

Affordable Care Act (ACA) - health care reform law sometimes known as "Obamacare". Main goal is to make health insurance more affordable and available to more people and expand Medicaid.

Agent/Broker - licensed, trained professional who can help you enroll in a health insurance that is right for you.

Annual Limit - a cap on the benefits (e.g., prescription costs or hospitalization visits) your insurance company will pay per year. Once this limit is reached, you are responsible for remaining payments for the year.

Appeal - a request for your insurance company to review a denial of a benefit or payment.

Assistive Technology (AT) - any item, piece of equipment, software program, or product system that is used to enhance, maintain, or improve the functional capabilities such as learning, working, and daily living for persons with disabilities.

Assistive Technology Professional - an ATP can analyze the needs of consumers with disabilities, assists in the selection of appropriate assistive technology and provides training and education for the selected devices. Some insurances require the participation of a RESNA certified ATP in order to pay for specific types of equipment.

Authorized Representative - an individual authorized to act on your behalf with the health coverage and related matters.

B

Benefits - the health care items or services that are covered under your health insurance plan.

Benefit Year - the year of coverage under your health insurance plan; the same calendar year (January-December) regardless of when you begin your coverage.

C

Capped Rentals - durable medical equipment that an individual uses continuously over a short period of time. This is usually in the case that a rental is more appropriate than purchasing the equipment; this is typically determined by the insurance company and the type of equipment.

Centers for Medicare & Medicaid Services (CMS) - Federal agency that runs Medicare, Medicaid, and Children's Health Insure Programs (CHIP).

Children's Health Insurance Program (CHIP) - low-cost health insurance program for children and families (and sometimes pregnant women) who earn too much to qualify for Medicaid but not enough to purchase private insurance.

Claim - the request for payment that you or your provider submit to your health insurance when you are looking to get an item or service covered.

Coinsurance - the portion of the cost of care you are required to pay after your health insurance pays; typically, this is a percentage of an approved amount.

Complex Rehab Technology (CRT) - medically necessary, specialized equipment that is prescribed to meet one's specific medical needs (I.e., manual and power wheelchairs, adaptive seating, and positioning systems).

Coordination of Benefits - figuring out of who pays first if/when you have 2+ health insurance plans responsible for paying the same medical claim.

Copayment - a fixed out-of-pocket amount paid by an insured person for covered services; insurance providers often charge for services such as doctor visits and prescription drugs.

D

Deductible - the amount you pay for covered health care services before your insurance plan starts to pay; after which you usually only pay a copayment or coinsurance for covered services.

Dependent - a child or other individual that a parent/relative claim as a personal exemption tax deduction.

Disability Income - a policy designed to compensate insured individuals for a portion of the income they lose because of a disabling injury or illness.

Disability Income (Long-Term) - policies that provide a weekly or monthly income benefit for more than five years for individual coverage and more than one year for group coverage for full or partial disability arising from accident and/or sickness.

Disability Income (Short-Term) - policies that provide a weekly or monthly income benefit for up to five years for individual coverage and up to one year for group coverage for full or partial disability arising from accident and/or sickness.

Donut Hole - a coverage gap that Medicare prescription drug coverage (Part D) may have. When you and your plan spend a certain amount on covered drugs, you then are responsible for paying out-of-pocket for the drugs until you hit your yearly limit; then the coverage gap ends, and your plan begins to help pay again.

Drug List/Formulary - the list of prescription drugs that are covered by your plan if you are offered prescription drug benefits.

Dual Eligible - an individual who is eligible for both Medicaid and Medicare.

Durable Medical Equipment (DME) - any medical equipment used in the home to aid in a better quality of living; meets the criteria: durable (can withstand repeated use), used for a medical reason, not usually useful to someone who isn't sick or injured, used in your home, generally has an expected lifetime of at least 3 years (wheelchairs are typically expected to last at least 5 years).

E

Excluded Services - services that your health insurance plan does not pay for/cover.

Exclusive Provider Organization (EPO) - care plan that covers services only if you go to providers, specialists, or hospitals in the plan's network.

External Review - an independent, third-party review of your plan's denial on coverage of a service or payment. The reviewer's decision of maintaining or overturning the plan's decision must be accepted.

F

Flexible Spending Account (FSA) - tax-free way to pay for many out-of-pocket medical expenses such as copayments and deductibles.

G

Generic Drugs - prescription drug that has the same ingredients as a brand-name drug; typically cost less and are just as safe and effective.

Group Health Plan - health plan offered by your employer that providers health insurance to their employees and families.

H

Health Insurance - a contract that requires your health insurer to pay for some or all of your health care in exchange for paying a premium.

Health Maintenance Organization (HMO) - a medical group plan that provides physician, hospital, and clinical services to participating members in exchange for a periodic flat fee.

Health Insurance Marketplace (also known as the "Marketplace" or "Exchange") - A service by the federal government that helps individuals shop for and enroll in health insurance.

Health Savings Account - type of savings account that lets you set aside pre-tax money to help pay for qualified medical expenses.

High Deductible Health Plan (HDHP) - plan with a higher deductible; monthly premium is typically lower, but you pay more health care costs yourself before your health insurer starts to pay their share.

Home Assessment - Some insurances require that a home assessment be completed to provide certain types of equipment.

I

In-Network - providers or health care facilities that are part of a health plan's network of providers. Typically, individuals pay less when using an in-network provider.

Insurance Claim - a formal request by a policyholder to an insurance company for coverage or compensation for a covered loss or policy event; the insurance company validates the claim and once approved, issues payment to the insured or approved interest party.

Insurance Coverage - the amount of risk or liability that is covered for an individual by way of insurance services; issued by an insurer to help consumers recover financially in the event of unforeseen occurrences.

L

Licensed/Certified Medical Professional - Some types of equipment require a specialty evaluation who has specific training and experience in rehabilitation wheelchairs evaluations. This could be a PT, OT or a Physiatrist.

Long-Term Disability Income Insurance - policy providing monthly income payments for insureds who become disabled for an extensive length of time, typically two years or longer.

M

Maintenance - checking, cleaning, and servicing your durable medical equipment or assistive device.

Medicaid - policies issued in association with the Federal/State entitlement program created by Title XIX of the Social Security Act of 1965 that pays for medical assistance for certain individuals and families with low incomes and resources.

Medical Necessity - a healthcare service that a physician, exercising prudent clinical judgement, would provide to a patient that is clinically appropriate in terms of type, frequency, extent, site, duration; is not more costly than an alternative service or sequence of services that is considered effective for the patient's illness, injury, or disease; and is not primarily for the convenience of the patient, health care provider, or other physicians or health care providers.

Medicare - a federal government health insurance program that gives health care coverage to those over 65 years of age, or under 65 who receive Social Security Disability Insurance (SSDI) for 24 months due to disability, or due to ALS.

Medicare Advantage (also known as "Part C", "Managed Care Plan", "Medicare Private Health Plan") - the part of Medicare that allows the individual to receive Medicare benefits from private health plans who are contracted by the federal government to provide coverage.

Medicare Prescription Drug Donut Hole - gap in prescription drug coverage where after you and your drug pay a certain amount on covered drugs, you will pay all the out-of-pocket costs for them up to a limit, then your prescription drug coverage starts to pay again.

Mobility Limitation - a limitation that prevents the individual from accomplishing a mobility-related Activity of Daily Living (ADL) entirely, or within a time frame; or places the individual at risk in performing activity.

Mobility Related ADL's - to qualify for equipment, you might have to reference mobility specific ADLs such as: toileting, feeding, dressing, grooming, and bathing in the home.

N

Network - providers and suppliers that your health insurance plan has contracted to provide health care services.

O

Occupational Therapist (OT) - licensed health care professional who focuses on an individual's ability to participate in everyday activities and lead a purposeful life by suggesting adaptive techniques and/or equipment to help increase social interaction and keep the individual doing what is important to them.

Open Enrollment - yearly period when people can enroll in a health insurance plan for the next year. Typically begins in November and goes to January.

Original Medicare (also known as Traditional Medicare) - a program under which the government pays providers directly for each service a person receives. Most people who are enrolled in Medicare are enrolled in this (as opposed to a Medicare Advantage Plan).

Orthotist - design and fabricate medical supportive devices and measure and fit patients for them.

Out of Network (also known as "out of plan") - physicians, hospitals, or other healthcare providers who do not participate in an insurer's provider network; depending on the health insurance plan, some of these services may not be covered fully, or at all.
*Definition from Healthcare.gov

Out-of-Pocket - costs that individuals pay out of their own cash reserves even if they are reimbursed later.

Out-of-Pocket Maximum - the most you must pay for covered services in a plan year. After you spend this amount on deductibles, copayments, and coinsurance for in-network care/services, your health plan pays 100% of the costs of covered benefits.
*Definition from Healthcare.gov

P

Physical Therapist (PT) - licensed health care professionals who help improve the quality of life through exercise, pain management, improving mobility or limiting loss of mobility, and education. They also evaluate and treat individuals of all ages who have injuries, disabilities, or other health conditions.

Pre-Existing Condition - a health condition that you had before the date your new health coverage begins; health insurance companies cannot refuse to cover or charge more for services for your condition.

Preferred Provider Organization (PPO) - type of health plan where you pay less if your provider belongs to the plans network of participating providers.

Point of Service (POS) Plans - prescription drug that has the same ingredients as a brand-name drug; typically cost less and are just as safe and effective.

Premium - The amount you pay for your health insurance every month. This does not include other costs for your health care, including deductible, copayments, and coinsurance.

Premium Tax Credit - If you enroll in a plan through the Health Insurance Marketplace, you may be able to use this credit to lower your monthly premium; this is based on the income estimate and household information you put on your application.

Prescription Drug Coverage - health insurance plan that helps to pay for prescription medicines.

Preventive Services - routine screenings to prevent health problems.

Primary Care Provider (PCP) - physician, nurse practitioner, or physician assistant who can help you access a range of health care services.

Prior Authorization (PA) (also known as Preauthorization) - coverage is approved by the insurance company before a service or prescription is provided; each plan may have their own PA process or requirement.

R

Referral - a written order from your primary care doctor for you to see a specialist or receivw medical services. In many cases, you need a referral before you can get medical care from anyone except your primary care doctor – if you do not get a referral, your plan may not cover the cost of the services.

S

Social Worker - can help identify barriers to a patient's care, connect families to appropriate resources that improve their access to healthcare, and support individuals' and families' overall well-being.

Speech Language Pathologist - licensed healthcare professionals who work to prevent, assess, evaluate, and treat speech, language, social communication, cognitive-communication, and swallowing disorders.

Subsidized - an insurance plan with reduced premiums; often obtained through financial assistance programs to help those with low and middle income.

Summary of Benefits and Coverage (SBC) - summary that lets you compare costs and coverages between health plans.

Supplier - person or business who provides the service; must be enrolled in the same program as your health insurance plan.

T

Tricare - health program for active-duty or retired military members and their families.