Definitions - Common Terminology

Insurance Premium: Agreed upon fees paid for healthcare coverage by the employee/patient per month. This is the fixed amount automatically deducted from an employee's paycheck used to pay the insurance company for continuous coverage.

Deductible: The amount for which the insured is liable on each loss, injury, etc., before an insurance company will make payment. (Not all medical services are subject to a deductible.)

Coinsurance: A co-sharing agreement between the insured and the insurer under a health insurance policy which provides that the insured will cover a set percentage of the covered costs **after the deductible has been paid.**

Out-of-Pocket Max: The largest amount of money you pay toward the cost of your healthcare each year. After you've paid enough in deductibles, copays, and coinsurance to reach your out-of-pocket maximum, the health insurance company pays for all covered services at 100% for the remainder of the plan year.

EPO: EPO stands for "Exclusive Provider Organization" plan. As a member of an EPO, you can use the doctors and hospitals within the EPO network, but have **no coverage outside the network** for routine care. You would still have coverage for emergency services, even if provided out of network.

PPO: A **preferred provider organization** is a type of health insurance arrangement that allows plan participants relative **freedom to choose the doctors and hospitals** they want to visit.

For specific details on these and any other coverage provisions, refer to the "Summary of Benefits" documents on the Open Enrollment website (below). Included in Summary of Benefits docs are examples of healthcare scenarios that step through the claim payment process to illustrate how the coverages above work together.

Open enrollment website: http://cooperconsulting.com/open-enrollment/

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