

HEALTH CARE

Health Care Coverage Basics



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Vocabulary – Healthcare Coverage Basics

ACA; Affordable Care Act	Federal law passed in 2010 to make health care coverage available to more people, expand Medicaid, and reduce health care costs
Catastrophic Coverage	A type of health insurance designed to protect an individual from significant medical expenses due to serious illness or injury. It typically features low monthly premiums and a very high deductible, meaning it covers extremely high costs but only after the insured has paid a substantial amount out-of-pocket
CHIP; Children's Health Insurance Program	Program that provides low-cost health coverage to children in families that earn too much to qualify for Medicaid.
Employer-based insurance or Employer-sponsored insurance	Insurance provided by an employer to employees and their dependents, with costs often shared between employer and employee; also called Group health insurance
Fee-For-Service Plan	Health insurance payment plan that pays healthcare providers for each service performed
FSA; Flexible Spending Account	A special tax-deferred savings account consumers use to save money to pay certain health care expenses
Health Insurance	Insurance that helps pay medical bills
Health Insurance Marketplace or Health Insurance Exchange	A web-based platform where individuals, families and small employers can shop for, and enroll in, private health insurance
HDHP; High Deductible Health Plan	A health insurance plan with lower monthly premiums and higher deductibles than traditional insurance plans
HMO; Health Maintenance Organization	A type of health insurance where medical services are covered in part or fully when the insured uses services that are delivered by providers who are part of the network. Care delivered by providers not in network is generally not covered by this insurance
Individual Mandate	A requirement in some states that all individuals must have health insurance
Insurance Policy	A contract between a policyholder and an insurer that details the terms and conditions of coverage
Insured	A person covered by an insurance policy
Medicaid	A joint federal and state program that provides healthcare coverage for individuals with limited income and resources. Eligibility varies by state
Pre-existing Condition	A medical issue or condition a patient has sought medical treatment for before enrollment in a new health insurance plan
PPO; Preferred Provider Organization	A type of health insurance where care delivered by providers who are part of the network has a lower co-pay than care delivered by a provider who is not part of the network. Unlike an HMO, in a PPO services provided out-of-network will generally be paid for by insurance, but the consumer will pay more of the cost of care when the provider is not in the network
Private insurance	Insurance offered by a company and not the government