Common Health Plan Terms & Definitions

Co-Insurance: Co-insurance refers to money that an individual is required to pay for services, after a deductible has been paid. Co-insurance is often specified by a percentage. For example, the employee pays 20% toward the charges for a service and the employer or insurance company pays 80%.

Co-Payment: Co-payment or “copay” is a predetermined (flat) fee that an individual pays for health care services, in addition to what the insurance covers.

Deductible: The amount an individual must pay for health care expenses before insurance (or a self-insured plan) covers the costs. Benefits subject to a deductible are typically not also subject to a deductible.

Dependents: Spouse, domestic partner and/or unmarried children (whether natural, adopted or step) of an employee participant.

Exclusions: Medical services that are not covered by the health plan.

In-Network: Providers (physicians and other healthcare professionals) or health care facilities which are part of the health plan’s network with which it has negotiated a discount. Plan participants usually pay less when using an in-network provider.

Lifetime Maximum Benefit: The maximum amount the health plan will pay in benefits for an individual plan participant.

Limitations: A limit on the amount of benefits paid for a particular covered expense.

Network: A group of doctors, hospitals and other health care providers contracted to provide services to health plan customers for less than their usual fees.

Out-of-Network: Refers to physicians, hospitals or other health care providers who are not participants in the plan’s networks. Expenses incurred by services provided by out-of-network health professionals may not be covered or are covered after a higher deductible and co-insurance. You pay more when you use out-of-network providers.

Out-Of-Pocket Maximum: The amount of money that an individual must pay out of their own pocket before the plan will pay 100% for an individual's health care expenses.

Pre-Admission Certification: Approval by the insurance carrier for a person to be admitted to a hospital or in-patient facility, granted prior to the admittance. The goal of pre-admission certification is to ensure that individuals do not receive services that are not covered by the plan, including services that are not medically necessary.