

UNDERSTANDING INSURANCE TERMINOLOGY

NAME OF INSURED – the person who owns the policy or the employee whose company provides insurance.

INSURED ID NUMBER – the number assigned by insurance company to identify the owner of the policy. Often the Social Security Number is used.

CALENDAR YEAR – the term of the policy from January 1st through December 31st.

BENEFIT YEAR – the policy term is 12 months with defined beginning date other than January 1st.

NETWORK PROVIDERS – a health provider has signed a contract with the insurance company to accept the payments, write-offs and other conditions set forth by an insurance company.

OUT-OF-NETWORK – services from a health care provider that has not signed a contract with an insurance company. Benefits are not as comprehensive for the patient. Sometimes there are no benefits for out-of-network services.

DEDUCTIBLE – the dollar amount a patient must pay for medical services before the insurance company will pay anything. The deductible includes **individual deductibles** and/or **family deductible**. Fees paid to any health care provider accumulate to meet the required deductible(s).

Co-pay – the amount of money the patient will be required to pay to health care providers based on the terms of the policy, regardless of the total amount billed for that date of service.

PATIENT RESPONSIBILITY – the percentage the patient must pay after the insurance company has responded to a submitted claim.

PRE-CERT – applying for company approval to treat a patient.

REFERRAL – a referral from a patient's primary care physician must be completed before a patient can be seen by another health care provider.

PE-EXISTING CONDITION CLAUSE – a provision in the policy which defines a period of time in which a patient cannot receive benefit coverage for a medical problem that existed prior to the beginning date of coverage for a new policy.

PRIMARY CARRIER – the insurance company which would pay first for any covered medical services provided to a patient before a secondary insurance carrier would pay.