

# Benefits terminology from A - Z

Sometimes your benefits package can look like another language no matter if your new to holding coverage or have had it in place for many years. This resource is here to help you define terms and acronyms you'll discover as you navigate all that we have to offer.

## A

### Annual Enrollment

The period each year, typically in the fall, when eligible team members can sign up or make changes to their benefits for the year ahead. Unless you have a qualifying life event (see definition below), annual enrollment is your only opportunity to make changes to your benefits.

### Annual Maximum

The maximum amount that the plan will pay for coverage per year.

### Aggregate deductible

The entire family deductible must be paid before the plan pays for care or services for any covered family member.

## B

### Beneficiary

The person you name to receive benefits upon your death.

### Balance billing

Bills received from a provider for the difference between the provider's charge and the allowed amount under the plan.

### Brand name drug

Medication that has a trade name and is marketed by the manufacturer(s) that hold or held the patent.

## C

### Chronic and preventive medication list

List of medications selected to help make some frequently prescribed preferred drugs more affordable.

### Coinsurance

The percentage you pay for covered services after the deductible has been met.

### Copayment (Copay)

A fixed amount you pay for covered services

# Benefits terminology from A - Z

## D

### **Deductible**

Amount you pay for covered services before the plan will begin to pay

### **Dependent**

Eligible individual, such as a spouse or child, enrolled in a benefit plan.

### **Dependent verification**

The process to confirm that dependents enrolled in our benefit plans are eligible for coverage. Requires team members to provide documentation to validate the relationship.

## E

### **Elimination period**

The waiting period that must be met before benefits become payable.

### **Embedded deductible**

Once a person covered under a family plan reaches the individual (employee only) deductible, all covered expenses for that individual will be paid at the co-insurance amount, even when the family deductible may not have been met.

### **Embedded out-of-pocket maximum**

Once a person covered under a family plan reaches the individual (employee only) out-of-pocket maximum, all covered expenses for that individual will be paid at 100%, even when the family out-of-pocket maximum may not have been satisfied. The individual out-of-pocket maximum equates to the employee out-of-pocket maximum.

### **Emergency care**

A medical condition that requires immediate medical attention to prevent serious jeopardy to your health.

### **Evidence of insurability**

Process of collecting health information for employees or dependents to determine if they qualify for certain life insurance coverage.

### **Explanation of benefits (EOB)**

Statement from the health plan describing what costs are covered for care or services you received.

# Benefits terminology from A - Z

**F**

## Formulary

List of selected medications covered by the plan.

**G**

## Generic drug (preferred)

Lower-cost medication approved by the FDA and created to be the same as the brand-name drug in dosage form, safety, strength, route of administration, quality, and performance characteristics.

**H**

## High deductible health plan

A medical plan where the member pays out of pocket for majority of the services until a deductible is reached.

**I**

## In-network

The use of providers who are in the plans provider network.

## Inpatient

Receiving medical treatment in a hospital or other health care facility with an overnight stay.

**L**

## Lifetime maximum

The maximum dollar amount the plan will pay in a lifetime. Once the lifetime maximum is reached, the plan will no longer pay for services.

**M**

## Mail-order pharmacy

Delivery method for prescription drug orders to assist in providing medications more conveniently and sometimes at a lower cost.

## Medically necessary

Services or supplies that are needed to diagnose or treat an illness, injury, condition, disease or its symptoms and meet acceptable medical standards.

# Benefits terminology from A - Z

## N

### **Network (Provider network)**

Group of providers or facilities that the health insurance plan is contracted with to provide medical care or services.

### **Non-preferred brand and generic drugs**

Higher-cost medications that, in most cases, have an alternative preferred generic or brand name available.

## O

### **Out-of-network**

Provider or facility that does not have a contract with the health insurance plan to provide services.

### **Out-of-pocket maximum**

The maximum dollar amount you will pay for covered services in a plan year (Jan. 1 to Dec. 31 of that year).

### **Outpatient**

Care in a hospital or facility that does not require an overnight stay.

## P

### **Post-tax deduction**

Deduction taken from your paycheck after any taxes are withheld.

### **Pre-existing condition**

A condition for which you were diagnosed or treated before enrolling in a plan.

### **Pre-tax deduction**

Deduction taken from your paycheck before any taxes are withheld. Note: Pre-tax deductions reduce your taxable income.

### **Preferred brand drug**

Brand name drug that may not be available in generic form and are preferred by the plan.

### **Preventive care**

Routine healthcare services such as physicals, screenings, immunizations and more that help detect and prevent illness, disease or other health problems.

# Benefits terminology from A - Z

## Primary care physician (PCP)

Provider specializing in family medicine, general internal medicine or general pediatrics and serves as the first point of contact for basic medical needs.

## Prior authorization

Plan requirement to verify medical necessity and obtain authorization before a healthcare service is provided.

Q

## Qualifying life event (QLE)

A change in your situation—such as getting married, divorced, having a baby, gaining or losing other coverage, and more—that allow you to make certain changes to your benefits within 30 days of the change.

R

## Rates

Deduction from your paycheck for benefits coverage. Also known as a premium.

S

## Specialist

A provider that focuses on a specific area of medicine.

## Specialty drug

High-cost drugs used to treat complex or chronic conditions, and often require close monitoring and special handling requirements.

U

## Urgent care

An illness or injury serious enough that a reasonable person would seek care right away, but not so severe as to require emergency room care.



## Need help picking a plan?

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