

Insurance Terms

Understand your health insurance.

Health insurance words can be confusing. Here is an alphabetical list of some words that may be helpful as you apply and choose a plan. If you need further assistance, you can call the Kentucky Health Benefit Exchange at 855-459-6328, visit [HealthCare.gov](https://www.healthcare.gov) or call the Federal Marketplace at 800-318-2596

Appeal

A request for your health insurance company or the Health Insurance Marketplace to review a decision that denies a benefit or payment.

- If you don't agree with a decision made by the Marketplace, you may be able to file an appeal. You can also appeal decisions by the SHOP Marketplace for small businesses.
- If your health plan refuses to pay a claim or ends your coverage, you have the right to appeal the decision and have it reviewed by a third party.

Application Assister

Called kynectors in previous years, this is a person who is trained to answer questions and help people apply for health insurance. They are located in all counties across the state.

Authorized Representative

Someone who you choose to act on your behalf with the Marketplace, like a family member or other trusted person. Some authorized representatives may have legal authority to act on your behalf.

Advance Premium Tax Credit (APTC)

A tax credit you can take in advance to lower your monthly health insurance payment (or "premium"). When you apply for coverage, you estimate your expected income for the year. If you qualify for a premium tax credit based on your estimate, you can use any amount of the credit in advance to lower your premium.

- If at the end of the year you have taken more premium tax credit in advance than you're due based on your final income, you'll have to pay back the excess when you file your federal tax return.
- If you've taken less than you qualify for, you'll get the difference back.

Agent

An agent or broker is a person or business who can help you apply for help paying for coverage and enroll you in a Qualified Health Plan (QHP) through the Marketplace. They can make specific recommendations about which plan you should enroll in. They're also licensed and regulated by states and typically get payments, or commissions, from health insurers for enrolling a consumer into an issuer's plans. Some agents and brokers may only be able to sell plans from specific health insurers.

Application ID

Each Marketplace application has a unique identification number, or Application ID. After you apply at [HealthCare.gov](https://www.healthcare.gov), you will get a notice with your eligibility result that has your Application ID. You will need your Application ID to continue online with an existing application, compare plans, and complete enrollment.

Affordable Care Act (ACA)

The comprehensive health care reform law enacted in March 2010 (sometimes called ACA, PPACA, or “Obamacare”).

The law has 3 primary goals:

- Make affordable health insurance available to more people. The law provides consumers with subsidies (“premium tax credits”) that lower costs for households with incomes between 100% and 400% of the federal poverty level.
- Expand the Medicaid program to cover all adults with income below 138% of the federal poverty level.
- Support innovative medical care delivery methods designed to lower the costs of health care generally.

Benefits

The healthcare items or services covered by a health insurance plan.

Benefit Year

A year of benefits coverage under an individual health insurance plan. The benefit year for plans bought inside or outside the Marketplace begins January 1 of each year and ends December 31 of the same year. Your coverage ends December 31 even if your coverage started after January 1. Any changes to benefits or rates to a health insurance plan are made at the beginning of the calendar year.

Broker

An agent or broker is a person or business who can help you apply for help paying for coverage and enroll in a Qualified Health Plan (QHP) through the Marketplace. They can make specific recommendations about which plan you should enroll in. They’re also licensed and regulated by the state and typically get payments, or commissions, from health insurers for enrolling a consumer into an issuer's plans. Some brokers may only be able to sell plans from specific health insurers.

Claims

A request for payment that you or your healthcare provider sends to your insurance company when you get items (like medicine) or services (like a doctor visit).

Cost Sharing Reduction (CSR)

A discount that lowers the amount you have to pay for deductibles, copayments, and coinsurance. In the Health Insurance Marketplace, cost-sharing reductions are often called “extra savings or special discounts.” If you qualify, you must enroll in a plan in the Silver category to get the extra savings.

Catastrophic Plan

This type of plan has lower monthly premiums and mainly protects you from very high medical costs. A catastrophic plan generally requires you to pay all of your medical costs up to a certain amount. You must be under 30 to buy a catastrophic plan through the Marketplace.

Coinsurance

An amount you pay that is your share of the cost of healthcare after you pay any deductible. Coinsurance is usually a percentage of the cost of the service.

Copay or Copayment

An amount you pay each time you get healthcare, like if you go to the doctor or hospital or you get

a prescription. Usually the copay is a set amount, like \$20.

Data Matching Issue (Inconsistency)

When there is a difference between some information you put on your Marketplace health insurance application and information gotten from other data sources.

The data matching issue may involve your annual income, citizenship, immigration status, or other matters. When you get a notice about a data matching issue, you'll need to send documents to verify the information you put on your application. If you don't do it by the date included in the notice, you could lose your health insurance or any savings you're getting to help pay for it.

Deductible

The amount you must pay for healthcare or prescriptions before your plan begins to pay. Some insurance plans have separate deductibles for healthcare and prescriptions. There is usually a separate deductible for each member of the family, as well as the entire family.

Dental Insurance

Insurance that covers visits to the dentist. Most plans cover basic and preventative services such as teeth cleaning, X-rays and fillings. Some cover major services, including crowns and bridges.

Dependent

A child or other individual for whom a parent, relative, or other person may claim a personal exemption tax deduction. Under the Affordable Care Act, individuals may be able to claim a premium tax credit to help cover the cost of coverage for themselves and their dependents.

Effective Date

The date your health insurance starts.

Effectuation

The process of your insurance company starting your insurance after you have paid your first premium.

Eligible Immigration Status

An immigration status that is considered eligible for getting health coverage through the Marketplace. The rules for eligible immigration status may be different in each insurance affordability program.

Essential Health Benefit

A set of 10 categories of services health insurance plans must cover under the Affordable Care Act. These include doctors' services, inpatient and outpatient hospital care, prescription drug coverage, pregnancy and childbirth, mental health services, and more. Some plans cover more services. Plans must offer dental coverage for children. Dental benefits for adults are optional. Specific services may vary based on your state's requirements. You will see exactly what each plan offers when you compare plans.

Exclusive Provider Organization (EPO) Plan

A managed care plan where services are covered only if you go to doctors, specialists, or hospitals in the plan's network (except in an emergency).

Excluded Services

Healthcare services that your insurance plan does not pay for, such as cosmetic surgery.

Explanation of Benefits (EOB):

A statement sent by your insurance company explaining what the company paid for and what you must pay for medical treatments and services. This is not a bill.

Exchange

Another term for the Health Insurance Marketplace.

Exemption:

An approved reason why some people will not pay a penalty when they don't have health insurance.

Full-Time Employee (FTE)

Any employee who works an average of at least 30 hours per week for more than 120 days in a year. Part-time employees work an average of less than 30 hours per week.

Federal Poverty Level (FPL)

A measure of income issued every year by the Department of Health and Human Services. Federal poverty levels are used to determine eligibility for certain programs and benefits, including savings on Marketplace health insurance, and Medicaid and CHIP coverage.

Fee

A payment (sometimes called “penalty,” “fine,” or “individual mandate”) you must make if you don’t have health insurance that qualifies as minimum essential coverage. People with very low incomes and some others may be eligible for health care exemptions.

Generic Medication

A prescription drug that has the same active ingredient or formula as a brand-name drug, but it usually costs less.

Habilitative/Habilitation Services

Health care services that help you keep, learn, or improve skills and functioning for daily living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology, and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Health Insurance Marketplace

A service that helps people shop for and enroll in affordable health insurance. The federal government operates the Marketplace, available at HealthCare.gov. The Health Insurance Marketplace (also known as the “Marketplace” or “exchange”) provides health plan shopping and enrollment services through websites, call centers, and in-person help.

Household

The Marketplace generally considers your household to be you, your spouse if you're married, and your tax dependents. Your eligibility for savings is generally based on the income of all household members, even those who don't need insurance.

Health Maintenance Organization (HMO)

Health Maintenance Organization is a type of insurance plan that usually limits coverage to care from in-network providers. It generally will not cover out-of-network care unless it is an emergency.

Hardship Exemption

Under the Affordable Care Act, most people must pay a fee if they don't have health coverage that qualifies as "minimum essential coverage." One exception is based on showing that a "hardship" prevented them from becoming insured.

HSA (Health Savings Account)

A medical savings account that may be available if you have a High Deductible Health Plan. Money you put into an HSA is not taxed at the time you put it in the account. This money must be used for qualified medical costs.

Inconsistency (Data Matching Issue)

When there is a difference between some information you entered on your Marketplace insurance application and information from other data sources.

The inconsistency may relate to your yearly income, immigration status, citizenship, or other items on your application. If you get a notice about an inconsistency, you'll have to provide the Marketplace with documents to support what you put on your application. If you don't submit them by the deadline stated in the notice, you could lose your health insurance plan or premium tax credits and other savings you're getting to help pay for it.

In-Network Providers

The doctors and healthcare facilities (like hospitals) that provide health services covered by your insurance. Usually it is cheaper to go to an in-network provider.

Insurance Agent

A person or business that can give you advice on insurance and enroll you in a health plan. Some agents may only be able to sell plans from some companies.

KCHIP

The Kentucky Children's Health Insurance Program is free or low-cost health insurance for children younger than 19.

Kynector

Now called an Application Assister, this is a person who is trained to answer questions and help people apply for health insurance. They are located in all counties across the state.

Lawfully Present

The term "lawfully present" is used to describe immigrants who have:

- "Qualified non-citizen" immigration status without a waiting period
- Humanitarian statuses or circumstances (including Temporary Protected Status, Special Juvenile Status, asylum applicants, Convention Against Torture, victims of trafficking)
- Valid non-immigrant visas
- Legal status conferred by other laws (temporary resident status, LIFE Act, Family Unity individuals)

Life Event

A change in your life that could qualify you for a Special Enrollment period. Life events include getting married, having a baby, adopting a child or placing a child up for adoption, moving to a new home, leaving incarceration, gaining citizenship or losing health coverage.

MCO

Managed Care Organization is the system of providers that provides healthcare services through Medicaid. Each MCO is provided by an insurance company.

Medicaid

A special health insurance plan that has lower costs. There are different types of Medicaid for adults and children, pregnant women, older adults, people with disabilities and others. Kentucky has expanded its Medicaid program so that more people qualify and at higher incomes.

Metal Level

All health plans sold through HealthCare.gov have one of four "metal" levels (Bronze, Silver, Gold and Platinum). As the metal level increases from Bronze to Platinum, so does the amount that the plan covers (coinsurance). A Bronze plan usually has a lower premium (what you pay each month) and a higher out-of-pocket cost (what you pay over time for healthcare). You can only get special discounts on Silver- level plans.

Modified Adjusted Gross Income (MAGI)

The figure used to determine eligibility for premium tax credits and other savings for Marketplace health insurance plans and for Medicaid and the Children's Health Insurance Program (CHIP). MAGI is adjusted gross income (AGI) plus these, if any: untaxed foreign income, non-taxable Social Security benefits, and tax-exempt interest.

- For many people, MAGI is identical or very close to adjusted gross income.
- MAGI doesn't include Supplemental Security Income (SSI).
- MAGI does not appear as a line on your tax return.

Minimum Essential Coverage (MEC)

The type of health insurance you need to keep from paying a penalty for not having insurance. Plans you buy through HealthCare.gov – or plans through job-based coverage, Medicaid, Medicare, KCHIP, TRICARE and some other types of coverage – are Minimum Essential Coverage.

Open Enrollment Period

The time when people can enroll in a plan through HealthCare.gov.

Out-of-Network Providers

The doctors and healthcare facilities (like hospitals) that do not provide health services covered by your insurance. You will pay more to use them.

Out-of-Pocket Costs

What you pay for medical care that is not paid by insurance. Out-of-pocket costs include deductibles, coinsurance, copayments and any other expense that is not covered by your plan.

Out-of-Pocket Maximum/Limit

The most you will typically pay during a policy period (usually one year) before your health insurance plan starts to pay 100% of the cost of services. There is usually a separate out-of-pocket maximum for each member of the family, as well as the entire family.

Payment Assistance

A tax credit that lowers the cost of your health insurance. It can lower what you pay every month or be a yearly savings on your taxes. It is also called Advanced Premium Tax Credit or APTC.

Penalty

A fee you'll pay if you can afford health insurance but choose not to buy it. The penalty is sometimes called the "fee," "fine," or "individual mandate."

Premium

The amount you pay every month to keep health insurance. You will get a bill each month from your insurance company. You have to pay the bill every month to keep insurance.

Premium Tax Credit

A tax credit you can use to lower your monthly insurance payment (called your "premium") when you enroll in a plan through the Health Insurance Marketplace. Your tax credit is based on the income estimate and household information you put on your Marketplace application.

POS:

Point of Service is a type of insurance plan where you pay less if you use doctors, hospitals and other providers that belong to the plan's network. POS plans require you to get a referral from your primary care provider (PCP) in order to see a specialist.

Preferred Provider Organization (PPO)

Preferred Provider Organization is a type of insurance plan where you pay less if you use in-network providers. You can use doctors, hospitals and other providers outside of the network, but it will cost more.

Preventive Services

Routine healthcare that includes checkups to prevent illnesses, disease or other health problems. Many of these services are free under the Affordable Care Act.

Primary Care Provider (PCP):

Doctor, nurse practitioner or physician assistant who provides, coordinates or helps you get the healthcare you need. You can see a PCP for preventive services even if you are not sick.

Qualified Health Plan (QHP)

An insurance plan that's certified by the Health Insurance Marketplace, provides essential health benefits, follows established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts), and meets other requirements under the Affordable Care Act. All qualified health plans meet the Affordable Care Act requirement for having health coverage, known as "minimum essential coverage."

Qualifying Life Event

A change in your situation — like getting married, having a baby, or losing health coverage — that can make you eligible for a Special Enrollment Period, allowing you to enroll in health insurance outside the yearly Open Enrollment Period.

Reconcile

How you find out if you used the right amount of premium tax credit during the year. To reconcile, you compare two amounts: the premium tax credit you used in advance during the year; and the amount of tax credit you qualify for based on your final income. You'll use IRS Form 8962 to do this. If you used more premium tax credit than you qualify for, you'll pay the difference with your federal taxes. If you used less, you'll get the difference as a credit.

Rehabilitative/Rehabilitation Services

Health care services that help you keep, get back, or improve skills and functioning for daily living that have been lost or impaired because you were sick, hurt, or disabled. These services may include physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation services in a variety of inpatient and/or outpatient settings.

Second Lowest Cost Silver Plan (SLCSP)

The second-lowest priced Marketplace health insurance plan in the Silver category that applies to you. You need to know your Second Lowest Cost Silver Plan (SLCSP) premium to figure out your final premium tax credit when you file your tax return. Your Second Lowest Cost Silver Plan may not be the plan you enrolled in. In most cases, you'll find your SLCSP premium on Form 1095-A.

Special Discounts

Also called Cost Sharing Reduction or CSR, these are savings that lower your out-of-pocket costs on visits to a doctor, copayments and deductibles. You can only get special discounts on Silver-level plans.

Special Enrollment Period

A time outside of the open enrollment period when you can still enroll in a health plan.

Specialist

A provider who focuses on a specific area of medicine, such as the heart or bones. The copay is usually higher to see a specialist.

Stand-alone dental plan

A type of dental plan offered through the Marketplace that's not included as part of a health plan. You may want this if the health coverage you choose doesn't include dental, or if you want different dental coverage.

Statement of Benefits and Coverage (SBC)

A summary of a health plan's benefits and coverage. This summary helps you compare plans.

Tax Household

The taxpayer(s) and any individuals who are claimed as dependents on one federal income tax return. A tax household may include a spouse and/or dependents.

Termination Date

The date your health coverage ends.