

GLOSSARY

After-tax

Paying for benefits after federal, state and FICA taxes are deducted.

Beneficiary

The person(s) you designate to receive payment from your insurance policies when you die.

Capitation

A set dollar limit that you or your employer pay to a health maintenance organization (HMO), regardless of how much you use (or don't use) the services offered by the health maintenance provider.

COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985, federal legislation that allows you and/or your dependents to continue to purchase health insurance for up to 18 months if you lose your job or your employer-sponsored coverage is otherwise terminated. Dependents may be eligible for COBRA coverage for up to 36 months in the event of your divorce or death, or when your child reaches the limiting age under the plan. COBRA is available to employees who work for an employer with 20 or more employees.

Coinsurance

The percentage of covered medical costs you pay.

Coordination of Benefits

An arrangement in health insurance to discourage multiple payments for the same claim under two or more policies. When a person is covered by two or more group health insurance plans, one plan becomes the *primary* plan and the other plan(s) the secondary plan(s).

Copayment

The flat fee that you pay per unit for certain medical services.

Covered Expenses

Charges eligible for plan payment

Deductible

A fixed dollar amount of covered medical charges you must pay before the plan pays for additional covered services. Your deductible depends on the medical plan you select.

Dependent

In the Medical and Dental plans, a dependent is defined as:

- (1) your lawful spouse; and
- (2) any child of yours who is:
 - less than 26 years old.
 - 26 or more years old, unmarried, and primarily supported by you and incapable of self-sustaining employment by reason of mental or physical

disability which arose while the child was covered as a Dependent under this Plan, or while covered as a dependent under a prior plan with no break in coverage.

Child means a child born to you or a child legally adopted by you. It also includes a stepchild or a child for whom you are the legal guardian. Benefits for a dependent child will continue until the last day of the month in which the limiting age is reached.

Anyone who is eligible as an employee will not be considered as a dependent spouse. A child under age 26 may be covered as either an employee or as a dependent child. You cannot be covered as an employee while also covered as a dependent of an employee. No one may be considered as a dependent of more than one employee.

Disability

Inability to work because of a medically certified illness or injury.

Explanation of Benefits (EOB)

The insurance company's written explanation regarding a claim, showing what they paid and what you must pay.

Generic Drug

Once a company's patent on a brand-name prescription drug has expired, other drug companies are allowed to sell the same drug under a generic label. Generic drugs are less expensive than brand-name drugs.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

A legislative act that allows people to qualify immediately for comparable health insurance coverage when they change their employment or relationships. It also mandates the use of 1) standards for the electronic exchange of health care data; 2) national identification systems for health care patients, providers, payers, and employers; and 3) measures to protect the security and privacy of personally identifiable health care.

Health Maintenance Organization (HMO)

Health maintenance organizations represent "pre-paid" or "capitated" insurance plans in which doctors are paid a fixed monthly fee for services instead of separate fees for each visit or service. The monthly fees remain the same, regardless of types or levels of services provided. Services are provided by physicians who are employed by, or under contract with, the HMO. HMOs vary in design.

GLOSSARY continued

Inpatient Care

Medical care you receive after you're formally admitted into a hospital.

Life Insurance

Term life insurance that pays a death benefit to your beneficiary if you die. There is no cash surrender value.

LTD (Long-term Disability)

A disability due to a medically-certified illness or injury that lasts for more than 180 days.

Medicaid

A health insurance program for low-income individuals who cannot otherwise afford Medicare or other commercial health insurance plans. Medicaid is funded in part by the government and by the state where the enrollee lives.

Medicare

The federal health insurance program created to provide health coverage for Americans aged 65 and older and later expanded to cover younger people who have permanent disabilities or who have been diagnosed with end-stage renal disease or amyotrophic lateral sclerosis (ALS).

Network

A group of health care providers, including doctors, hospitals and specialists who join together to provide care at specially negotiated rates.

Non-duplication of Benefits

A coordinated payment method used when more than one health insurance plan is paying benefits.

Orthodontia

Dental services which straighten teeth and correct bite.

Out-of-Pocket Maximum

The maximum dollar amount you pay out of your pocket in a calendar year for covered expenses, including deductibles and coinsurance. The plan pays 100% of covered expenses after the limit is reached (up to the plan's maximum benefit) for the remainder of the year.

Patient Protection and Affordable Care Act (PPACA), also known as Affordable Care Act (ACA)

The health reform legislation passed by the 111th Congress and signed into law by President Barack Obama in March 2010. The legislation includes a long list of health-related provisions that began taking effect in 2010 and will continue to be rolled out over the next four years.

Point of Service (POS)

A point of service (POS) plan is a combination of an HMO and a PPO. It has a network that functions like an HMO. A member may also choose to use out-of-network providers; however, the member will pay more when using out-of-network providers.

Pre-tax

A contribution for benefits that is taken from your pay before federal, state, and FICA taxes are withheld. Note that Tax Sheltered Annuities are pre-tax on federal and state only.

Preferred Provider Organization (PPO)

A preferred provider organization (PPO) is a managed care organization of health providers who contract with an insurer to provide health insurance coverage. Services by these providers are discounted substantially. If a member uses a physician outside the PPO plan, they typically pay more for the medical care.

Preventive Care

Services that maintain good health and prevent disease - such as check-ups and early detection screenings.

Primary Care Physician (PCP)

The doctor responsible for directing all your medical care and referrals.

Specialty Drugs

Specialty drugs or specialty pharmaceuticals are a type of pharmaceuticals that are classified as high- cost, high-complexity and/or high-touch. Specialty drugs may also include biologics that are injected or infused. This class of drug is not typically available from a retail pharmacy.

Spouse

A person who is legally married to an employee under the laws of the state in which the employee resides.