

Benefits Glossary

Choosing a health plan or simply looking over plan details can be difficult if you don't know the language. Here are some of the more common terms you'll see while scanning over health, benefit, and plan information.

Premium: The amount you pay each month, in the form of payroll deductions, to have insurance coverage.

Deductible: The amount a policyholder agrees to pay before the insurance company covers a loss/cost.

Copayment (Copay): A fixed amount you pay to cover the costs of certain medical services.

Coinsurance: The percentage you pay of the total cost of covered services.

Out-of-pocket maximum: This number is the maximum amount you'll pay for covered health services in a single year, including your deductible, copay, and coinsurance. The Affordable Care Act restricts carriers from charging you more than this amount.

Beneficiary: an individual who may become eligible to receive payment due to will, life insurance policy, retirement plan, annuity, trust, or other contract.

Claim: Request by a policyholder or third party from an insurance company for compensation of losses covered by insurance.

Claimant: A person requesting an amount for covered losses from the insurer.

Liability Coverage: Coverage for bodily injury or property damage to others for which you are held liable (as provided by your policy and state law).

Primary Care physician (PCP): a physician who serves as a group member's primary contact within the health plan.

Balance Billing: this type of billing is typically done with out-of-network providers. It means that the enrollee is charged the difference between the provider-billed amount and the insurance-allowed amount.

Prior Authorization: a pre-approval requirement imposed by insurance companies before agreeing to cover a procedure, prescription, or medical device.

Qualifying Life Event (QLE): major events in an enrollee's life that allow them to make specific changes to their insurance policy outside of an annual open enrollment period. This usually means the birth or adoption of a child, marriage, divorce, death of a spouse, or change in the spouse's employment or insurance status.

If there are any additional terms you need help understanding, contact your Benefit Advocate.

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