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Key Health Insurance Terms

Gallagher Benefit Services (GBS) understands that the U.S. healthcare system can be dauntingly complex, and we're here to help. Below are the "nuts and bolts" of health insurance coverage, those unfamiliar terms you may have come across when looking at insurance documents or speaking with healthcare professionals. A better understanding of these concepts will help you more effectively analyze and utilize your coverage.

Broker

A broker matches their clients with a health insurance company or plan that best suits the client's needs. The broker is paid a commission by the insurance company, but represents the interests of their client rather than the insurance company. In some cases, as with Gallagher Benefit Services, a broker can also act as a third-party administrator, handling enrollment and billing, benefit and claims questions, etc.

Insurance Carrier

The company responsible for providing you with your health insurance plan by paying your claims, maintaining provider networks, coordinating billing, and offering member assistance services.

Preferred Provider Organization (PPO)

With a PPO plan, like the name implies, it's recommended you get your medical care from doctors or hospitals in the insurance company's network of preferred providers if you want your claims paid at the highest level. You will likely not be required to coordinate your care through a single primary care physician, as you would with an HMO, but you will want to make sure that the health care providers you visit participate in the PPO network. Services rendered by out-of-network providers may still be covered, but will likely be paid at a lower level.

In-Network Provider

A healthcare professional, hospital or pharmacy that has a contractual relationship with your health insurance company, establishing allowable charges for services. In return for contracting with an insurance company, a healthcare provider typically gains patients, and a primary care physician may receive a capitation fee for each patient assigned to his or her care. An Out-of-Network provider is a healthcare professional, hospital, or pharmacy that is not part of your health plan's network of contracted providers. You will generally pay more for services received from out-of-network providers, in part because you may be responsible for out-of-pocket costs that are considered above the "reasonable and customary" fees.

Copayment

A flat charge that your health insurance plan may require you to pay for a specific medical service or supply, also referred to as a "copay." For example, your health insurance plan may require a \$20 copayment for an office visit or brand-name prescription drug, after which the insurance company pays the remainder of the charges.

Coinsurance

The amount that you are required to pay for covered medical services after you've satisfied any copayment or deductible required by your health insurance plan. Coinsurance is typically a percentage of the charge for a service rendered by a healthcare provider. For example, if your insurance company covers 80% of the allowable charge for a specific service, you may be required to cover the remaining 20% as coinsurance.

Deductible

A specific dollar amount that your health insurance company may require that you pay out-of-pocket each year before your health insurance plan begins to make payments for claims. Not all health insurance plans require a deductible.

Out-of-Pocket Maximum

Out-of-pocket maximums apply to all medical plans. This is the maximum amount you will pay for health care costs in a calendar year. Once you have reached the out-of-pocket maximum, the plan will fully cover most eligible medical expenses for the rest of the plan year.

Claim

A request by a plan member, or a plan member's health care provider, for the insurance company to pay for medical services.



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Where Do I Access Care?

GBS understands that the U.S. healthcare system can be dauntingly complex, and we're here to help. The handy chart below can be used as a quick-reference guide if you find yourself wondering where to go for a certain illness, injury, etc.

Type of Provider	Scenario	Type of Illness or Injury
General Physician	Annual wellness exams, or moderate pain you need diagnosed	General checkup, moderate pain of unknown origin, etc.
Specialist	Experiencing pain specific to a particular region of the body (i.e. muscular, gastrointestinal, ocular, bone/joint, skin, ears/nose/throat, etc.)	Ulcers, rash, digestive problems, vision problems, elevated levels, etc.
Hospital	Having an inpatient or outpatient procedure performed, in a critical state	Delivering a baby, major/minor surgery, recovery, monitoring, etc.
Walk-in Clinic	Treatment of unscheduled, non-emergency illnesses/injuries and certain immunizations	Vaccination, mild cold/flu, minor cuts/abrasions, etc.
Urgent Care (Alternative to ER)	Treatment of most non-life threatening emergencies	Broken bones (not multiple fractures), minor wounds (not bleeding profusely), mild fever, flu, acute sinusitis, etc.
Emergency Room (ER)	Treatment of all life/limb-threatening emergencies	Severe head trauma, multiple/compound fractures, heavy bleeding, elevated fever, severe burns, seizures, poison, etc.