Glossary

Annual Household Income: The total amount of income for the calendar year for which you are applying for health coverage.

Benefit: Services and products that are covered under your health insurance plan. Covered benefits and excluded services can be defined in the insurance products' explanation of coverage.

Carrier: A company that provides health insurance plans.

Copayment: A fixed amount (ex: $10) you pay for a covered health care service. The amount can vary by type of covered health care service and between health insurance plans. You usually pay for the copayment when you receive the service.

Cost-sharing: This is the share of costs covered by the insurance that you pay out of your own pocket. This generally includes copayments, deductibles, coinsurance, or similar charges. This does not include premiums, billing amounts for non-network providers, or cost of non-covered services.

Deductible: This is the amount you pay for health care services out of pocket before you insurance plan will pay any expenses.

Dependent: A child or individual for whom a parent, relative, or other person may claim as a personal exemption tax deduction.

Dependent coverage: Insurance coverage that is provider for family members of the policy holder, such as children, spouses, or partners.

Formulary: A list of drugs that are covered by a prescription drug plan or insurance plan offering prescription drug benefits.

Health insurance: A contract that requires your health insurer to pay some or all of your health care costs in exchange for a premium.

Health Maintenance Organization (HMO): A type of health insurance plan that usually limits coverage to care from doctors/physicians who work for or contract with the HMO. It generally does not cover out-of-network care except in an emergency. An HMO may require you to love or work in its service area to be eligible for coverage.

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

Hospitalization: This is care in a hospital that requires admission as an inpatient and usually requires an overnight stay.

Inpatient Care: This is health care that you get once you are admitted as an inpatient to a health care facility such as a hospital or skilled nursing facility.

Medi-Cal: California's Medicaid health care program that provides free medical services for children and adults with limited income and resources. The local county social services/welfare department manages Medi-Cal eligibility determinations.

Medically Necessary: Health care services and/or supplies that are needed to prevent, diagnose, or treat and illness, disease, condition, or injury or its symptoms.

Medicare: A federal health insurance program for individuals who are 65 or older and certain younger individuals with disabilities. It also covers individuals with end-stage renal disease such as permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD.

Network: The facilities, suppliers, and providers with whom your health insurance plan has contracted to provide health care services.

Out-of-Pocket Costs: A non-reimbursable expense paid by a patient. This could include any medical benefits a plan does not considered a covered service.

Policy: The agreement/contract between the person buying health insurance and company providing health insurance. This describes specific health care services that are covered by your health plan, any coverage limitations, and out-of-pocket costs (such as copays) that may be required.

Pre-existing medical condition: An illness or condition a patient has prior to obtaining health insurance.

Preferred Provider Organization (PPO): Types of health insurance plan that contracts with various participating doctors and hospitals. You pay less if you use a doctor or hospital that belongs to the plan's network or you can use doctors or hospitals outside the network or an additional cost.

Premium: The amount that must be paid for your health insurance plan. It is usually paid monthly, quarterly, or yearly.

Preventative Care/Preventative Services: This is routine health care that includes annual checkups, screenings, and patient counseling to prevent illness, diseases, or other health problems.

Primary Care Provider: A physician who provides, coordinates, or helps to access a range of health care services. They often maintain a long-term relationship with the patient to advise and treat a range of health related issues.