

**Kentucky's Glossary for
Agents and kynectors
November 2015**



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This Quick Reference Guide is designed to highlight and define basic health insurance terms and concepts.

Below is a limited list of basic but important healthcare terms and concepts. Many have been provided by www.healthcare.gov, though some examples have been changed for added clarity. Please refer to www.healthcare.gov/glossary for a more robust glossary of terms.

Term	Definition
Advanced Premium Tax Credit (APTC)	<ul style="list-style-type: none"> • Referred to in Kentucky as “payment assistance”. Qualified individuals are eligible to receive payment assistance through kynect to help them purchase a Qualified Health Plan or Health Insurance Plan (HIP). • Provided in advance or taken as a tax credit at the time an individual files their income taxes. • Available exclusively through kynect.
Annual Maximum	<ul style="list-style-type: none"> • Cap on the benefits an insurance company will pay or provide in a year while an insured person is enrolled in a given HIP. • Caps are sometimes placed on certain services, such as prescriptions, hospitalizations, number of visits etc. • After an annual limit is reached, the insured person must pay all other associated healthcare costs for the remainder of the year. • Annual maximums do not apply to essential health benefits in terms of dollar limits allowed. <div data-bbox="597 1255 1503 1476" style="border: 1px solid blue; padding: 5px;"> <p>Example: If a health plan’s annual maximum is \$750,000, once the insurance company has paid out \$750,000, they will stop providing benefits afterwards. However, there are no limits placed on receiving benefits within an individual’s lifetime. This provision is mandated by the ACA.</p> </div>
Business Rules Engine	<ul style="list-style-type: none"> • Allows non-programmers to add or change how a system makes determinations. • Allows the administrator to change eligibility rules within the system without the help of a programmer. • As changes are made to eligibility and enrollment for kynect, administrators will be able to make the necessary changes in the rules engine so the system appropriately makes eligibility determination.

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Certified Application Counselors (CACs)	<ul style="list-style-type: none"> • Individuals who facilitate enrollment and may offer personal guidance in regards to plans available. • CACs provide information about insurance affordability programs and coverage options; assist individuals and employees to apply for coverage in a qualified health plan and for insurance affordability programs; and help to facilitate enrollment of eligible individuals. They may interact at home or in-person. • CACs are not paid and the Kentucky Office of Health Benefit and Information Exchange (KOHBE) has oversight.
Coinsurance	<ul style="list-style-type: none"> • An insured person's share of the costs of a covered healthcare service. • Calculated as a percent of the allowed amount for the service. An insured person pays co-insurance in addition to any deductibles owed. <div data-bbox="565 951 1479 1136" style="border: 2px solid blue; padding: 10px; margin-top: 10px;"> <p>Example: If the health insurance or plan's allowed amount for an office visit is \$100 (and the insured person has met their deductible), a coinsurance payment of 20% would be \$20. The other \$80 is paid by the insured person's health plan.</p> </div>
Copoly	<ul style="list-style-type: none"> • A cost sharing system between the insured and the insurance company. • The insured pays a predetermined flat fee required at the time any covered medical service is received.
Cost Sharing Reductions (CSR)	<ul style="list-style-type: none"> • Referred to in Kentucky as "Special Discounts" • A mechanism, in the form of subsidies, to reduce an individual's cost of the deductible, co-pay, and / or co-insurance. • Provide health insurance cost sharing assistance for individuals who are not eligible for Medicaid but whose income is between 100% and 250% of the FPL. • Only available for Silver Plans purchased through kynect. • Please Note: Special discounts are meant to reduce the out-of-pocket costs as opposed to payment assistance, which is a premium subsidy.
Creditable Coverage	<ul style="list-style-type: none"> • Health insurance coverage under any of the following: a group health plan; individual health insurance; student health insurance; Medicare; Medicaid; CHAMPUS and TRICARE; the Federal Employees Health Benefits Program; Indian Health Service; the Peace Corps; Public Health Plan (any established or maintained by a State, the U.S. government, a foreign country); Children's Health

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	<p>Insurance Program (CHIP) or a state health insurance high risk pool.</p> <ul style="list-style-type: none"> • If an individual had prior creditable coverage, it will typically reduce the length of a pre-existing condition exclusion period (if applicable) under new job-based coverage.
	<ul style="list-style-type: none"> • The amount an insured person owes for healthcare services before their health insurance or plan begins to pay. • An individual only needs to meet his or her minimum deductible once per year and a deductible may not apply to all services. • If an individual switches plans in the middle of the plan year, the amount paid in the form of a deductible starts over and does not carry over to the new plan; the paid deductible amount would be \$0. Even if you have not exhausted the deductible, some preventive care may still be covered.
Deductible	<div style="border: 2px solid #00AEEF; padding: 10px;"> <p>Example: If your deductible is \$500, you will owe \$500 before your plan begins to pay for most services. If you have a deductible of \$500, and an essential surgery costs \$700, you would have to pay \$500 (as your deductible) and your insurance would cover the rest (\$200). If your surgery is \$300, you would pay the full \$300, and the insurer would pay \$0. In addition, \$200 of your deductible would still remain (\$500 - \$300). This is the amount you would have to pay for any future services within a plan year before the plan starts paying.</p> </div>
Effectuation	<ul style="list-style-type: none"> • A process by which an individual's coverage becomes effective (effective date of coverage).
Essential Community Provider (ECP)	<ul style="list-style-type: none"> • Providers that serve predominantly low-income, medically underserved individuals. • Healthcare providers defined in section 340B(a)(4) of the PHS Act; • Providers described in section 1927(c)(1)(D)(i)(IV) of the Act as set forth by section 221 of Public Law 111-8.
Exclusive Provider Organization (EPO)	<ul style="list-style-type: none"> • A plan where services are covered only if an insured person goes to doctors, specialists, or hospitals in the plan's network (except in an emergency). • These networks tend to be smaller than those of an HMO.
Eligibility Determination Group (EDG)	<ul style="list-style-type: none"> • Indicates the individuals whose income and resources will be used to determine eligibility. • Eligibility groups identify who is considered in the household (household group), who must apply together (filing group), whose income and resources will be used to determine eligibility (financial

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	group), whose needs are considered (need group) and who will receive benefits (benefit group).
Family Size	<ul style="list-style-type: none"> • The number of persons in an individual's tax filing household. • For MAGI-related groups, individuals do not need to live together to be included in the same household.
Federal Data Services Hub (FDSH)	<ul style="list-style-type: none"> • A federally operated data services hub that validates information relating to an individual applying for health insurance coverage or other affordability program benefits through Health Benefit Exchanges. • For example, verification of citizenship (through SSA), income (through IRS), and immigration status (through Department of Homeland Security) is performed by the hub.
Health Insurance Issuer or Issuer	<ul style="list-style-type: none"> • As defined by 45 CFR 144.103, an insurance company, insurance service, or insurance organization (including an HMO) that is required to be licensed to engage in the business of insurance in a state and is subject to state law that regulates insurance (within the meaning of section 514(b)(2) of ERISA). • This term does not include a group health plan.
Health Maintenance Organization (HMO)	<ul style="list-style-type: none"> • A type of Health Insurance Plan that limits coverage to services provided by a specific group of doctors. • A group of doctors who work for, or are under contract of the HMO.
Health Savings Account (HSA)	<ul style="list-style-type: none"> • A special medical savings account available to taxpaying citizens who are also enrolled in a High Deductible Health Plan. • An individual enrolled in an HSA may contribute funds into the account during the year. The funds contributed to the account are not subject to federal income tax at the time of deposit and may only be used for qualified medical expenses. • Funds roll over year to year if they are not spent in the current year.
In-Person Assister (IPA)	<ul style="list-style-type: none"> • An individual or organization that is trained and able to provide help to individuals, small businesses, and their employees as they look for health coverage options through kynect, including helping them complete eligibility and enrollment forms. In-person assisters are required to be unbiased, and their services are free to individuals.
Insurance Affordability Programs	<ul style="list-style-type: none"> • Federal and state public programs that are in place to help individuals who may be vulnerable or underserved. • Examples include, but are not limited to, Medicaid, Medicare, KCHIP, SNAP, TANF (K-TAP), and WIC.
kynect	<ul style="list-style-type: none"> • Kentucky's health insurance exchange.

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	<ul style="list-style-type: none"> • Designed to make comprehensive Health Insurance Plans (HIPs) available to qualified individuals, including small businesses and their employees. • Identifies affordability programs, including Medicaid, Kentucky Children's Health Insurance Program and tax credits for private insurance plans to help support residents that may be eligible for help paying for health insurance across the Commonwealth. • kynect presents these plans in a "shop and compare" format that allows individuals to make informed decisions. The "shop and compare" format displays health insurance options based on price, benefits, quality, and other features in simple language that is easy for individuals to understand.
Kentucky Health Insurance Premium Payment (KHIPP)	<ul style="list-style-type: none"> • A Kentucky Medicaid program that pays the costs of some or the entire employee portion of employer-sponsored health insurance premiums.
Kentucky Office of the Health Benefit and Information Exchange (KOHBE)	<ul style="list-style-type: none"> • Kentucky's new health insurance marketplace • Sits within the Cabinet for Health and Family Services (CHFS), and an Advisory Board to carry out the requirements of a state run health exchange and meet the goals of the Affordable Care Act.
Managed Care Organizations (MCOs)	<ul style="list-style-type: none"> • Networks that provide services to Medicaid individuals. • Eligible individuals may able to shop and compare the various MCOs in their area, similar to how other individuals can shop and compare Health Insurance Plans and Small Business Health Options Program (SHOP) plans (if applicable).
Minimum Essential Coverage	<ul style="list-style-type: none"> • The type of coverage an individual needs to have to meet the individual responsibility requirement under the ACA. • Includes individual market policies, job-based coverage, Medicare, Medicaid, CHIP, TRICARE, and certain other coverage including veterans' healthcare under chapter 17 or 18 of Title 38 U.S.C. Section 5000A(f).
Mixed Household	<ul style="list-style-type: none"> • A mixed household is one in which household members are eligible for different levels of assistance. • For example, one member in the household is eligible for Medicaid and another for APTC.
Multi-State Plans	<ul style="list-style-type: none"> • Healthcare coverage offered through the U.S. Office of Personnel Management for Federal employees, retirees, and their families and deemed qualified health plans under state-based, partnership and federally facilitated exchanges.
Non-MAGI Individual	<ul style="list-style-type: none"> • An individual who is exempt from income eligibility determinations based upon the Modified Adjusted Gross Income requirements under the ACA (e.g. individuals who are receiving Medicaid benefits

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	as a result of being aged, blind, disabled or committed to (a ward of) the Cabinet for Health and Family Services.
Non-Tax Filer Group	<ul style="list-style-type: none"> • An individual belongs to the non-filer group if he or she does not intend to file taxes for the benefit year. In addition, an individual who is claimed as a tax dependent and meets any of the following will be classified as a non-filer: <ol style="list-style-type: none"> 1. The individual expects to be claimed as a tax dependent by someone other than the spouse or biological, adopted or stepparent. 2. The individual is a child living with both parents, but the parents do not expect to file a joint tax return. 3. The individual is a child under the age of 19 and is a full time student who expects to be claimed as a tax dependent by a non-custodial parent.
Preferred Provider Organization (PPO)	<ul style="list-style-type: none"> • Type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers. • PPO membership provides a discount below the regularly charged rates of given professionals who are partnered with a health organization. • An individual may still use doctors, hospitals, and providers outside of their PPO network, but these will come at an additional cost.
Premium	<ul style="list-style-type: none"> • Amount that must be paid for a person's health insurance or plan. • Generally paid on a monthly, quarterly or yearly basis.
Presumptive Eligibility (PE)	<ul style="list-style-type: none"> • Eligibility granted for Medicaid-covered services to a qualified individual as processed by a qualified entity.
Primary Tax Filer	<ul style="list-style-type: none"> • An individual who files a tax return and is not claimed as a dependent by any other tax payer.
Qualified Health Plan (QHP)	<ul style="list-style-type: none"> • Under the ACA starting in 2014, an insurance plan that is certified by kynect, including the KOHBIE, provides essential health benefits, follows established limits on cost-sharing (such as deductibles, copayments, and out-of-pocket maximum amount(s), and meets other requirements.
Reasonable Compatibility	<ul style="list-style-type: none"> • The allowable difference between the individual's self-attested information and the information reported via the Federal Hub.
Renewal	<ul style="list-style-type: none"> • A review of income and other data to determine eligibility. • This can occur on an annual basis (required) or within a benefit year when new information is obtained and verified.
Statutory Benefits	<ul style="list-style-type: none"> • Benefits that are mandated by federal or state laws, such as Social Security, Unemployment Insurance, and workers' compensation.

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Systematic Alien Verification of Eligibility	<ul style="list-style-type: none"> • Intergovernmental initiative designed to assist federal, state, and local benefit-issuing agencies determining the immigration status of benefit applicants, so only those entitled to benefits receive them.
Self-Attestation	<ul style="list-style-type: none"> • A method of reporting information that allows an individual, an adult in the individual's household or family, authorized representative, or someone acting responsibly for the individual (if minor or incapacitated) to verbally verify information at the time of application and review, except as required by law for citizenship and immigration. • No further documentation is required, unless it conflicts with information gathered from electronic data matches (see Reasonable Compatibility).
Small Business Health Options Program (SHOP)	<ul style="list-style-type: none"> • A program operated by Exchanges, including KOHBIE, through which a qualified employer may provide employees and their dependents with access to one or more qualified health plans (QHPs).
Tax Dependent	<ul style="list-style-type: none"> • A child or other individual for whom a parent, relative, or other person may claim a personal exemption tax deduction. • Under the ACA, individuals may be able to claim a premium tax credit to help cover the cost of coverage for themselves and their dependents.
Tax Filer	<ul style="list-style-type: none"> • An individual who will file a single or joint income tax return for the benefit year. • Individuals can file as a head of household; single; married filing jointly; married filing separately; or qualified widow(er) with dependent child. An individual may only be considered a tax dependent on one tax return.

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Additional Quick Reference Guides

Other Quick Reference Guides	Topics Covered
1095-A	Definition of the Tax Form 1095-A How to Work with the Tax Form 1095-A Reconciliation of Payment Assistance
Eligibility	Eligibility Information and What Individuals Might Need to Bring
Health Insurance	HIPs Metal Level Plans Out-of-Pocket Costs Payment Assistance Special Discounts Plan Comparison Tool in kynect Summary of Benefit and Coverage
Helpful Resources	Contact Information Call Center Policy
Immigration Documentation	How to Read and Interpret I-94 Forms, Employment Authorization Cards (I-766), and Permanent Resident Cards (I-551) Sources and Other Helpful Resources
Income	MAGI Countable Income Household Composition Tax Filing Status Tax Form Reference
Interview Guide	How to Fill out an Application in kynect Commonly Asked Questions
Kentucky Online Gateway	How to set up a KOG account as an Agent, kynector, Individual, or Employer
Privacy and Security	Provides an overview of privacy and security for health information
Small Business Health Options Program	Employee and Employer Set Up Enrollment and Disenrollment Special Enrollment COBRA
Special Enrollment	Special Enrollment Qualifying Events Special Enrollment Effective Dates Exceptional Special Enrollment
Understanding Immigration	General Immigration Information Examples of Documentation Insurance Plans Available for Immigrants Submitting Documentation