Insurance Terms

kynect

Kentucky's Healthcare Connection

Quality Health Coverage. For Every Kentuckian.

Understand your health insurance.

kynect is an online health insurance store where you can buy quality health plans from companies you know and trust.

kynect has trained insurance agents and kynectors who give free and confidential help. They can help you find a plan that works for you and your family. To find help, go online to **kynect.ky.gov** or call kynect at **1-855-4kynect (459-6328).**

Health insurance words can be confusing. Here is a list of some words you'll want to know when picking a plan:

kynect Terms

- **Exemption:** An approved reason why some people will not pay a penalty when they don't have health insurance. There are a lot of exemptions you might qualify for. For more information, call **healthcare.gov** at **1-800-318-2596/TTY: 1-855-889-4325**. Or, go online to **https://www.healthcare.gov/fees-exemptions/exemptions-from-the-fee/.**
- **Insurance Agent:** A person or business that can give you advice on insurance and enroll you in a health plan. Some agents may only be able to sell plans from some companies.
- **kynector:** A person who is trained by kynect to answer questions and help people apply for health insurance through kynect. They are located in all counties across the state.
- **Life Event:** A change in your life that could qualify you for a Special Enrollment period. Life events include getting married, having a baby, adopting a child or placing a child up for adoption, moving to a new home, leaving incarceration, gaining citizenship or losing health coverage.
- **Metal Level:** All health plans sold through kynect have one of four "metal" levels (Bronze, Silver, Gold and Platinum). As the metal level

increases from Bronze to Platinum, so does the amount that the plan covers (coinsurance). A Bronze plan usually has a lower premium (what you pay each month) and a higher out-of-pocket cost (what you pay over time for healthcare). You can only get special discounts on Silver-level plans.

- **Minimum Essential Coverage (MEC):** The type of health insurance you need to keep from paying a penalty for not having insurance. Plans you buy through kynect – or plans through job-based coverage, Medicaid, Medicare, KCHIP, TRICARE and some other types of coverage – are Minimum Essential Coverage.
- **Open Enrollment Period:** The time when people can enroll in a plan through kynect.
- **Payment Assistance:** A tax credit that lowers the cost of your health insurance. It can lower what you pay every month or be a yearly savings on your taxes. It is also called Advanced Premium Tax Credit or APTC.
- **Special Discounts:** Savings that lower your out-of-pocket costs on visits to a doctor, copayments and deductibles. You can only get special discounts on Silver-level plans. Also called Cost Sharing Reduction or CSR.
- **Special Enrollment Period:** A time outside of the open enrollment period when you can still enroll in a health plan.

Insurance Payment Terms

- **Coinsurance:** An amount you pay that is your share of the cost of healthcare after you pay any deductible. Coinsurance is usually a percentage of the cost of the service. For example, you pay about 20% of costs and your insurance company pays about 80% of costs.
- **Copay or Copayment:** An amount you pay each time you get healthcare, like if you go to the doctor or hospital or you get a prescription. Usually the copay is a set amount, like $20.
- **Deductible:** The amount you must pay for healthcare or prescriptions before your plan begins to pay. Some insurance plans have separate deductibles for healthcare and prescriptions. There is usually a separate deductible for each member of the family, as well as the entire family.
- **Out-of-Pocket Costs:** What you pay for medical care that is not paid by insurance. Out-of-pocket costs include deductibles, coinsurance, copayments and any other expense that is not covered by your plan.

- **Out-of-Pocket Maximum/Limit:** The most you will typically pay during a policy period (usually one year) before your health insurance plan starts to pay 100% of the cost of services. There is usually a separate out-of-pocket maximum for each member of the family, as well as the entire family.
- **Premium:** The amount you pay every month to keep health insurance. You will get a bill each month from your insurance company. You have to pay the bill every month to keep insurance. You might get payment assistance through kynect to help pay the premium.

Insurance Policy Terms

- **Benefits:** The healthcare items or services covered by a health insurance plan.
- **Claims:** A request for payment that you or your healthcare provider sends to your insurance company when you get items (like medicine) or services (like a doctor visit).
- **Effective Date:** The date your health insurance starts.
- **Effectuation:** The process of your insurance company starting your insurance after you have paid your first premium.
- **Excluded Services:** Healthcare services that your insurance plan does not pay for, such as cosmetic surgery.
- **Explanation of Benefits (EOB):** A statement sent by your insurance company explaining what the company paid for and what you must pay for medical treatments and services. This is not a bill.
- **Statement of Benefits and Coverage (SBC):** A summary of a health plan's benefits and coverage. This summary helps you compare plans.
- **Termination Date:** The date your health coverage ends.

Insurance Medical Terms

- **Generic Medication:** A prescription drug that has the same active ingredient or formula as a brand-name drug, but it usually costs less.
- **In-Network Providers:** The doctors and healthcare facilities (like hospitals) that provide health services covered by your insurance. Usually it is cheaper to go to an in-network provider.
- **Out-of-Network Providers:** The doctors and healthcare facilities (like hospitals) that do not provide health services covered by your insurance. You will pay more to use them.

- **Preventative Services:** Routine healthcare that includes checkups to prevent illnesses, disease or other health problems. Many of these services are free under the Affordable Care Act.
- **Primary Care Provider (PCP):** Doctor, nurse practitioner or physician assistant who provides, coordinates or helps you get the healthcare you need. You can see a PCP for preventative services even if you are not sick.
- **Specialist:** A provider who focuses on a specific area of medicine, such as the heart or bones. The copay is usually higher to see a specialist.

Types of Insurance

- **Catastrophic Plan:** This type of plan has lower monthly premiums and mainly protects you from very high medical costs. A catastrophic plan generally requires you to pay all of your medical costs up to a certain amount. You must be under 30 to buy a catastrophic plan through kynect.
- **Dental Insurance:** Insurance that covers visits to the dentist. Most plans cover basic and preventative services such as teeth cleaning, X-rays and fillings. Some cover major services, including crowns and bridges.
- **EPO:** Exclusive Provider Organization is a type of managed care plan where services are covered only if you use doctors, specialists and hospitals in the plan's network, except in an emergency.
- **HMO:** Health Maintenance Organization is a type of insurance plan that usually limits coverage to care from in-network providers. It generally will not cover out-of-network care unless it is an emergency.
- **HSA:** A medical savings account that may be available if you have a High Deductible Health Plan. Money you put into an HSA is not taxed at the time you put it in the account. This money must be used for qualified medical costs.
- **KCHIP:** The Kentucky Children's Health Insurance Program is free or low-cost health insurance for children younger than 19.
- **MCO:** Managed Care Organization is the system of providers that provides healthcare services through Medicaid. Each MCO is provided by an insurance company.
- **Medicaid:** A special health insurance plan that has lower costs. There are different types of Medicaid for adults and children, pregnant women, older adults, people with disabilities and others. Kentucky has expanded its Medicaid program so that more people qualify and at higher incomes.

- **PPO:** Preferred Provider Organization is a type of insurance plan where you pay less if you use in-network providers. You can use doctors, hospitals and other providers outside of the network, but it will cost more.
- **POS:** Point of Service is a type of insurance plan where you pay less if you use doctors, hospitals and other providers that belong to the plan's network. POS plans require you to get a referral from your primary care provider (PCP) in order to see a specialist.

For more information, talk to an insurance agent or kynector. Or, go online to kynect.ky.gov or call kynect at 1-855-4kynect (459-6328).

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