Glossary of Health Insurance Terms

- **Allowed Amount**: The maximum amount a plan will pay for a covered healthcare service.
- **Annual Limit**: A cap on the benefits your insurance company will pay in a year. This can be placed on the dollar amount of covered services or on the number of visits that will be covered for a particular service. After an annual limit is reached, you must pay all associated health care costs the rest of the year.
- **Coinsurance**: The percentage of covered healthcare costs you pay (eg, 20%) after you've paid your deductible.
    - For example, your health insurance plan's allowed amount for an office visits is $100 and your coinsurance is 20%. If you have met your deductible, you pay $20 and your insurance company pays the rest. If you have not met your deductible yet, you owe the full amount of $100.
- **Co-pay**: A fixed amount (eg, $30) you pay for a covered healthcare service after you've paid your deductible.
    - For example, your health insurance plan's allowable cost for an office visit is $100 and your co-pay is $30. If you have met your deductible , you pay $30 at the time of the visit. If your deductible is not met yet, then you owe the full amount of $100.
- **Deductible**: The amount you pay for covered healthcare services before your insurance plan starts to pay. With a $2,000 deductible, for example, you pay the first $2,000 of covered services yourself.
    - After you pay your deductible, you usually only pay a co-pay or coinsurance for covered services. The insurance company covers the rest.
    - Some services may have individual deductibles, such as Durable Medical Equipment (DME).
    - Family plans often have both an individual deductible, which applies to each person, and a family deductible, which applies to the whole family.
- **Durable Medical Equipment (DME)**: Equipment and supplies ordered by a healthcare provider for everyday or extended use, such as hand/wrist orthotics. DME may have a separate deductible from the regular health plan.
- **Preferred Provider Organization (PPO)**: A type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers. You pay less if you use providers that belong to the plan's network. You can use providers outside of the network for an additional cost.
- **Specialist**: A non-physician specialist is a provider who has more training in a specific are of healthcare. Physical and occupational therapy is usually categorized as "specialist" and is reflected in co-pays.