

Geisinger

Trusted Advisor

Key healthcare terms

Coinsurance

Your share of the costs of a covered healthcare service, calculated as a percent (for example, 20 percent) of the allowed amount for the service. You pay coinsurance plus any deductibles you owe. For example, if the health insurance or plan's allowed amount for an office visit is \$100 and you've met your deductible, your coinsurance payment of 20 percent would be \$20. The health insurance or plan pays the rest of the allowed amount.

Copayment

A fixed amount (for example, \$15) you pay for a covered healthcare service, usually at that time you get the service. The amount can vary by the type of covered healthcare service.

Cost sharing

The share of costs covered by your insurance that you pay out of your own pocket. This term generally includes deductibles, coinsurance, copayments or similar charges, but it doesn't include premiums, balance billing amounts for non-network providers, or the cost of non-covered services. Cost sharing in Medicaid and Children's Health Insurance Program also includes premiums.

Cost sharing reduction

A discount that lowers the amount you have to pay out of pocket for deductibles, coinsurance and copayments. You can get this reduction if you get health insurance through the Marketplace, if your income is below a certain level and if you choose a health plan from the Silver plan category (see the Metallic Health Plans section of this document). If you're a member of an American Indian tribe or an Alaska native, you may qualify for additional cost-sharing benefits.

Deductible

The amount you owe for healthcare services your health insurance or plan before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered healthcare services subject to the deductible. The deductible may not apply to all services.

In network

Description of the facilities, providers and suppliers your health plan has contracted with to provide healthcare services.

Premium

The amount that must be paid for your health insurance or plan. You and/or your employer usually pay it monthly, quarterly or yearly.

Premium tax credit

The Affordable Care Act provides a new tax credit to help you afford health coverage purchased through the Marketplace. Advance payments of the tax credit can be used right away to lower your monthly premium costs.

If you qualify, you may choose how much advance credit payments to apply to your premiums each month, up to a maximum amount. If the amount of advance credit payments you get for the year is less than the tax credit you're due, you'll get the difference as a refundable credit when you file your federal income tax return. If your advance payments for the year are more than the amount of your credit, you must repay the excess advance payments with your tax return.

