Health Insurance Terminology

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APWU HEALTH PLAN TOGETHER. BETTER HEALTH.®

31st Annual Open Season Seminar

Basic Terms

PPO vs. Non PPO

Covered Services

Allowed Amount

Preventive Care

Balance Bill

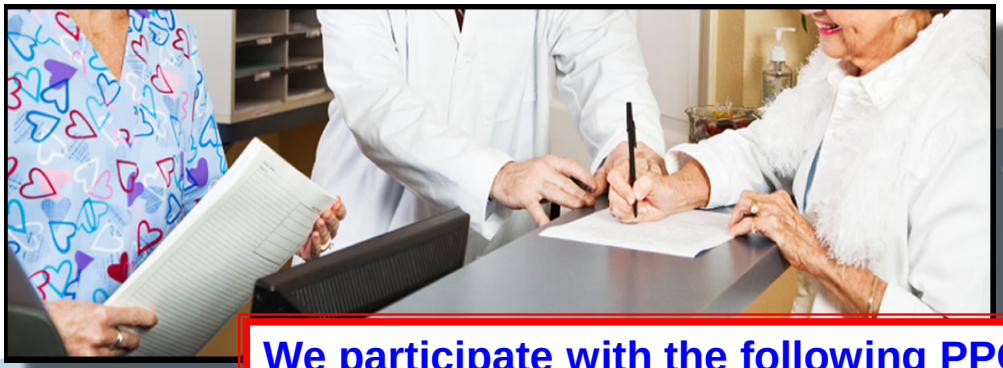
Precertification

Prescription Drugs

Personal Care Account (PCA)

PPO vs. Non-PPO

- **In-network = PPO:** Facilities, providers and suppliers who contract with a network to provide health services to our members
- **Out-of-network = Non-PPO:** Facilities, providers and suppliers who do not contract with a network



We participate with the following PPO Networks: Cigna, UHC, Beacon Health Options

Allowed Amounts

- The maximum amount of money on which payment is based for covered eligible health care services

PPO Provider bills $100	Non-PPO Provider bills $100
PPO Network allowable $80	Health Plan allowable is $75
Payment is based on the $80	Payment is based on the $75

Balance Bill

- What a Non-PPO provider can bill you after the Health Plan has paid their portion of covered billed charges.
- PPO providers should only charge you your deductible, copay and/or coinsurance. They should not bill you the difference between the PPO allowable and what they billed.

Balance Bill

- Non-PPO (or out-of-network) providers can bill you for the coinsurance that you owe and the difference between the Health Plan allowable amount and what they charged for the service

Non-PPO Provider bills $1,500
Health Plan Allowance $1,200
Member Coinsurance $360
($1200 X 30% = $360)
Plus the difference between the $1,200 and the $1,500 ($300)
Total $660

Precertification

- Before having certain types of medical care or services, you will need to get either prior approval or precertification.
- It's important that you understand when prior approval or precertification are needed to keep your benefits from being reduced.
- Precert penalty is $500

Precertification

- Examples of services that require precertification include:
  - Inpatient hospital admission
  - Organ transplantation
  - Durable medical equipment
  - Genetic testing
  - Other services as outlined in the current brochure

Preventive Care

- Routine screenings are procedures performed to help keep a member healthy and identify conditions that may go unnoticed. When performed by an in-network provider, they are covered at 100%.

Colonoscopy

Labs

X-rays

Immunizations

Annual Visits

Mammogram

Cost Sharing Terms
Consider more than the premium

Premium

Copays

Coinsurance

Catastrophic Limit

Deductible

Premium

- The amount that must be paid for your coverage
- One of the first things employees consider:
  - **Postal:** Biweekly reductions from pay by United States Postal Service
  - **Federal:** Biweekly reductions from pay by employing agency
  - **Retiree:** Monthly reductions from pay by Office of Personnel Management

Copay or Copayment

- A fixed amount of money you pay for certain services
- Normally payable at the time of service

High Option:

$20 copay for a PPO office visit and specialist

$40 copay for urgent care facility

$10 generic medication

Coinsurance

- The percentage that **you must pay** for your care
  - Health Plans:
    - High Option: 10%
    - Consumer Driven Option: 15%

- PPO provider bills $1,500
- PPO allowable $1,000
- High Option member pays 10% coinsurance
- Member coinsurance $100
- ($1000 X 10% = $100)
- Health Plan pays $900

Deductible (High Option)

- A fixed amount of covered expenses you need to incur for certain covered services before the Health Plan starts paying for those services

PPO:	$350 (Self Only)
	$700 (Self Plus One; Self and Family)
Non-PPO:	$500 (Self Only)
	$1,000 (Self Plus One; Self and Family)

Deductible Example

- January 17 and you haven't submitted any claims
- You go to the PPO provider and pay a $20 copay *(not subject to deductible)*
- Doctor orders a chest X-ray and charges $300
- The PPO allowable amount is $210
- The entire $210 is your responsibility ***(YOU PAY)*** and the $210 goes towards your deductible

Catastrophic Limit
Out-of-pocket limit (High Option)

- Yearly maximum
- The most you pay during a policy period before your health plan begins to pay 100% of the allowed amount
- This limit never includes your premium, balance-billed charges or health care your health plan doesn't cover

PPO:	$5,500 (Self Only)
	$6,500 (Self Plus One; Self and Family)
Non-PPO:	$10,000 (Self Only)
	$10,000 (Self Plus One; Self and Family)

Covered Service

- Services we provide benefits for that are listed in our brochure.

Prescription Drug

Doctor Visits

Inpatient Hospitalization

Labs

RN Visits

X-rays

Mental Health Visits

PT, OT, ST, ABA

Prescription Drug Terms

- **National Preferred Formulary:** A list of selected covered drugs based on clinical effectiveness and lower cost.
  - High Option: Express Scripts
  - Consumer Driven Option: OptumRx

Prescription Drug Terms

- **Brand Name Drugs:** Are protected by a patent and manufactured and sold only by the company holding the patent.
- **Generic Drugs:** When the patent for the brand name drug expires, generic versions of the drug can be offered for sale if the FDA agrees. Generic drugs are less expensive than brand name drugs.



Consumer Driven Option: Personal Care Account (PCA)

- As part of the premium members are given an account that is fully funded by the Health Plan with the following levels:
  - Self Only: $1,200
  - Self Plus One and Self and Family: $2,400
- If you don't use it all-it rolls over to the next year:
  - Self Only: $5,000
  - Self Plus One and Self and Family: $10,000

Consumer Driven Option: PCA

- The PCA is used when services are provided for treatment of an illness
- The cost for services where the brochure indicates “You Pay Nothing” are not taken from to PCA
  - Preventive
  - Maternity
  - Diabetes

Consumer Driven Option: PCA

- When the PCA is exhausted, then you have to satisfy the deductible:
  - Self Only: $800
  - Self and Family: $1,600
- After deductible is met; coinsurance is applied to member
  - 15% for in-network services
  - 85% is paid by the Health Plan

Thank You!

Please fill out the class evaluation form provided and place it in the collection box.

Please note any questions for the **Roundtable** discussion on the card provided and place in the drop box at the Registration Desk.

The Roundtable discussion will be during Closing Session:

Thursday, October 20, 2016