



# 10 Open Enrollment Terms You Should Know

Open enrollment can be a hectic time, so it's important you fully understand the terms used in your benefit descriptions. For instance, is a lower deductible the same as a lower premium? Not knowing the answer to these kinds of questions during enrollment could cost you later in the year. Here are 10 essential terms to help you when making benefits decisions.

# 1. Coinsurance

The amount or percentage that you pay for certain covered health care services under your health plan. This is typically the amount paid after a deductible is met, and can vary based on the plan design.

**For example**, if your plan's coinsurance is **80 percent**, that means the plan covers **80 percent** of the costs after the deductible is met and you cover the other **20 percent**.

## 2. Copayment

A flat fee that you pay toward the cost of covered medical services.

If a doctor's visit has a \$20 copay, that means you'd pay \$20 every time you went to the doctor, regardless of what the visit is for.



# 3. Deductible

A specific dollar amount you pay out of pocket before benefits are available through a health plan. Under some plans, the deductible is waived for certain services. Pay close attention to the health plan options during open enrollment. Some plans have higher deductibles and lower monthly payments, but that means you'd have to spend more to reach your deductible before your benefits kick in.





## 4. Premium

The amount you pay for a health plan in exchange for coverage.

Health plans with higher deductibles typically have lower premiums. This is sometimes shown as a per-paycheck, monthly or annual amount, so pay attention to how it's written in your benefits descriptions.

# 5. Eligible Medical Expenses

Expenses that you are allowed to spend money on, as specified by the medical plan.

**For example**, specific treatments and medication may qualify as eligible medical expenses, whereas rent or groceries would not. This term is commonly associated with health savings accounts and similar plan types.

# 6. Health Savings Account (HSA)

An employee-owned medical savings account used to pay for eligible medical expenses. Funds contributed to the account are not taxed and do not have to be used within a specified period. HSAs can only be used with qualified high deductible health plans.



# 7. High Deductible Health Plan (HDHP)

A type of health plan that has lower monthly premiums, but higher deductibles and out-of-pocket limits, than a traditional health plan. HDHPs are often coupled with an HSA.







## **8. Health Reimbursement Arrangement (HRA)**

An employer-owned medical savings account in which the company deposits pre-tax dollars for each of its covered employees. You can then use this account to pay for qualified medical expenses.

# 9. In network vs. Out of Network

**In network:** Health care received from your primary care physician or from a specialist within an outlined list of health care practitioners. Basically, this is a term used to describe a doctor whom you can visit without it costing you more money.

**Out of network:** Health care you receive without a physician referral, or services received by a non-network service provider. Out-of-network health care and plan payments are subject to higher deductibles and copays. Basically, this is a term used to describe doctors who are not pre-approved by your plan. You can still visit them, but you may have to pay more.

# **10. Out-of-pocket Maximum (or Maximum Out of Pocket)**

The highest out-of-pocket amount paid for covered services during a benefit period. Typically, if you spend enough money in a year to reach this amount, all expenses will be covered by your plan.