

NAIC Consumer Information (B) Subgroup  
Standard Definitions Team  
Definition Assignments

**Note to Subgroup:** I bracketed the terms [health insurer/ health insurance plan/ health care coverage/ health care plan] in the definitions. The subgroup needs to determine whether one consistent term should be used throughout all the definitions:

**INSURANCE-RELATED TERMS**

**1. Premium** ✓

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**Premium:** The amount of money that must be paid for [health insurance]. It is usually paid monthly, quarterly, or yearly by you and/or your employer/sponsor.

**Brenda Cude: Premium:** The amount you, your employer, or your sponsor (such as ??) must pay for [health insurance], usually monthly, quarterly, or yearly. (may need to define sponsor)

**2. Deductible** ✓

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**Deductible:** The amount of money you must pay for health care covered by your [health insurance] before your [health insurance] begins to pay.

**Brenda Cude: Deductible:** The amount you must pay for health care covered by your [health insurance] before your [health insurance] begins to pay.

**3. Co-payment** ✓

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**Co-payment:** A fixed amount (for example, \$15) that you pay for covered health care, usually when you receive the service. The amount can vary by the type of health care.

**4. Out of network co-payment** ✓

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**Out-of-network co-payment:** A fixed amount (for example, \$30) you pay for covered health care to **providers** who do *not* contract with your [health insurer]. **Out-of-network co-payments** usually cost you more than **in-network co-payments**.

**Brenda Cude - Out-of-network co-payment:** A fixed amount (for example, \$30) you pay for covered health care to **providers** who do *not* contract with your [health insurer]. **Out-of-network co-payments** usually **are** more than **in-network co-payments**.

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**In-network co-payment:** A fixed amount (for example, \$15) you pay for covered health care to **providers** who contract with your [health insurer]. **In-network co-payments** usually cost you less than **out-of-network co-payments**.

**Brenda Cude - In-network co-payment:** A fixed amount (for example, \$15) you pay for covered health care to **providers** who contract with your [health insurer]. **In-network co-payments** usually **are** less than **out-of-network co-payments**.

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**5. Co-insurance** ✓

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**Co-insurance** – The percentage you pay (for example, 20%) of the **allowed amount** for covered health care. (Note: add an example)

**Out of network co-insurance:** The percentage you pay (for example, 40%) of the **allowed amount** for covered health care to providers who do **not** contract with your [health insurer]. Out-of-network co-insurance usually costs you more than in-network co-insurance. (Note: add a 60/40 split example)

**In-network co-insurance:** The percentage you pay (for example, 20%) of the **allowed amount** for covered health care to providers who contract with your [health insurer]. In-network co-insurance usually costs you less than out-of-network co-insurance. (Note: add an 80/20 split example)

**6. Out of pocket limit** ✓

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**Out of pocket limit:** The most you pay during a policy period (usually a year) before your health insurance begins to pay 100 percent of the **allowed amount**. This limit does not include your **premium, balance-billed** charges, or health care your plan doesn't cover. Some [health care coverage] does not count all of your **co-payments, deductibles, co-insurance** payments or **out of network** payments towards this limit. This is not a complete list of what may not count toward your out of pocket limit. (Concept to include: some other health care costs don't count towards your out of pocket limit)

**Brenda Cude - Out of pocket limit:** The most you pay during a policy period (usually a year) before your health insurance begins to pay 100 percent of the **allowed amount**. This limit does not include your **premium, balance-billed** charges, or health care your plan doesn't cover. Some [health care coverage] does not count all of your **co-payments, deductibles, co-insurance** payments or **out of network** payments toward this limit. **Some [health care coverage]** may not count **other expenses** toward your out of pocket limit. (Concept to include: some other health care costs don't count towards your out of pocket limit)

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**7. Preferred provider**

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**Preferred provider:** A **provider** who has a contract with your health insurance plan. Your health insurance plan may encourage you to use these providers by charging you lower (deductible?), **co-payments** or **co-insurance** amounts.

**Provider:** A licensed physician (M.D. or D.O.) or other health care professional, hospital or health care facility who/that is accredited, licensed or certified where required in the state of practice and performing within the scope of that accreditation, license or certification. (**working on this definition**)

**Network ✓:** The facilities, providers, and entities your [health insurance plan] has contracted with to provide health services.

**8. Non preferred provider**

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**Non-Preferred Provider:** A **provider** who does not have a (preferred provider?)contract with your [health plan]. If you use a nonpreferred provider, you may pay higher (deductible?), **co-insurance** or **co-payments** or you may pay the entire cost of the services received.

**9. UCR (usual, customary and reasonable) fees ✓**

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**UCR -** The amount paid for an identical or similar medical service in a geographic area or that providers in your area usually charge for a particular health care service. UCR is sometimes used to determine the **allowed amount**.

**10 Excluded services ✓**

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**Excluded services:** Health care services that are not paid for or not covered by your [health insurance].

**Brenda Cude: Excluded services:** Health care services that your [health insurance] does not pay for or cover by

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**11. Grievance and appeals ✓**

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**Grievance:** A complaint that you communicate to your [health insurer].

**Appeal:** A request for your [health insurer] to review a decision or a grievance again.

**12. Prescription drug coverage**√ (moved from MEDICAL TERMS list)

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**Prescription Drug Coverage** helps pay for drugs and medication that require a prescription and are bought at a licensed pharmacy.

**Brenda Cude: Prescription Drug Coverage:** [Health insurance] that helps pay for prescription drugs and medications bought at a licensed pharmacy.

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**MEDICAL TERMS**

**13. Hospitalization**√

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**Hospitalization** – Care in a hospital that requires an overnight stay. An overnight stay for observation may be outpatient care.

**14. Hospital outpatient care** ✓

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**Hospital outpatient care** – Care in a hospital that does not require an overnight stay.

**15. Emergency room care** ✓

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**Emergency Room Care: Emergency Services** received in an emergency room.

**Emergency Services:** Evaluation of an **Emergency Medical Condition** and treatment to keep the condition from getting worse.

**Emergency Medical Condition:** An illness, injury or condition so serious that a reasonable person would seek care right away.

**16. Physician services**

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**Physician services:** Health care services provided and/or coordinated by a licensed medical physician (M.D. or D.O.).

**17. Prescription Drugs**

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**Prescription Drugs:** Prescription Drugs means those drugs that, by federal law, require a physician's prescription for purchase and are available only from a pharmacy.

**Brenda Cude - Prescription Drugs:** Those drugs that, by federal law, require a physician's prescription ~~to buy~~ and are available only from a pharmacy.

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**18. Durable medical equipment** ✓

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**Durable Medical Equipment:** Equipment and supplies that are ordered by a health care provider for everyday or extended use. Coverage for DME may include: oxygen equipment, wheelchairs, crutches or blood testing strips for diabetics.

**19. Home health care** ✓

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**Home health care:** Health care services a person receives at home.

**20. Skilled nursing care** ✓

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**Skilled nursing care:** Services from licensed nurses, technicians, and therapists in your own home or in a nursing home.

**21. Rehabilitation services** ✓ (Readability revisions still possible)

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**Rehabilitation Services:** Health care services that help a person keep, get back, or improve skills for daily living that have been lost or impaired because a person was sick, hurt, or disabled. These services may include physical, occupational, and speech-language pathology and, psychiatric rehabilitative services in a variety of medical settings or in a home.

**Habilitation Services:** Health care services that help a person keep, learn or improve skills for daily living. Examples include therapy for a child who is not walking or talking at the expected age.

**22. Hospice Services** ✓  
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**Hospice Services:** Services to provide comfort and support for persons in the last stages of a terminal illness and their families.

**23. Emergency Medical Transportation** ✓  
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**Emergency Medical Transportation:** Ambulance services for a medical condition that must be treated right away.

#### **ADDITIONAL TERMS**

**24. Allowed amount** ✓  
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**Allowed Amount:** Maximum amount on which payment is based for covered services. If your provider charges more than the allowed amount, you may have to pay the difference. Sometimes this is called “eligible expense,” “payment allowance” or “negotiated rate.”

**25. Health insurance (health plan/ health care coverage or another generic term to avoid confusion)**  
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**Health Insurance:** A contract that requires your health insurer to pay for some or all of your health care costs in exchange for a premium that is paid by you and/or your employer/sponsor.

**Brenda Cude: Health Insurance:** A contract that requires your health insurer to pay for some or all of your health care costs in exchange for a premium you, your employer or your sponsor pays

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**26. Complications of pregnancy** ✓

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**Complications of pregnancy:** Conditions due to pregnancy, labor and delivery that require medical care to prevent serious harm to the health of the mother or the fetus.

**27. Cosmetic vs. reconstructive surgery** (group will work on revised definitions)

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**Cosmetic surgery:** Surgery to improve appearance not needed for medical purposes.

**Reconstructive surgery:** Surgical procedures that are performed to improve function or correct congenital defects

**28. Medical Necessity**

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**Medical Necessity:** Health care services or supplies that are needed to diagnose, prevent and/or treat your medical condition and meet accepted standards of medical practice.

**Brenda Cude: Medical Necessity:** Health care services or supplies needed to diagnose, prevent or treat your medical condition

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**29. Billed Charge** (re-working to show implications to consumers and others)

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**Billed Charge:** The amount the **provider** bills for a service or procedure.

**30. Balance Billing**

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**Balance Billing:** A practice by which a provider, who is not a part of your [health insurer's] network, seeks to collect from you the amount of the provider's billed charge for the health care that was not paid by your [health insurance] (excluding the co-payment, co-insurance or deductible amount).

**Brenda Cude:** Definition is too hard, don't understand it well enough to edit it.

**31. Preauthorization (Precertification)**

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**Preauthorization:** A decision by your health plan that a health care service or treatment plan is medically necessary. Sometimes this is called prior authorization, prior approval or precertification. Your health plan may require preauthorization for certain services before you receive them, except in an emergency. Preauthorization is not a promise that the health plan will cover the cost.

**34. Urgent Care** ✓

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**Urgent Care-** Care for an illness, injury or condition serious enough to require prompt care but not so severe as to require **Emergency Room Care**.

**35. Specialist** (✓ pending AMA input)

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**Specialist** – A provider who focuses on a specific area of medicine or group of patients.