Commonly Used Insurance Terms

Affordable Care Act - The Affordable Care Act is the comprehensive health care reform law enacted in March 2010. The law was enacted in two parts: The Patient Protection and Affordable Care Act was signed into law on March 23, 2010 and was amended by the Health Care and Education Reconciliation Act on March 30, 2010. The name “Affordable Care Act” is used to refer to the final, amended version of the law.

Certificate of Creditable Coverage - There may be circumstances where your insurance carrier will require proof that you were covered in the previous 12 months by another insurance company in order to waive a pre-existing condition. The certificate will show your effective and termination dates of your previous insurance policy.

Certificate of Verification - A certificate from an insurance carrier defining the policy coverage dates for a plan you have not yet terminated or canceled. This certificate is used to show that you remain covered under a specific plan and would not show a termination date.

Co-insurance - Co-insurance means the insured person (you) and the insurance carrier share costs according to a specified ratio (e.g. 80%:20% or 70%:30%) of the hospital or medical expenses resulting from a sickness or injury.

Co-Payments (co-pay) - Payments made by the insured person (you) toward the cost of a particular benefit. For example, the current hard waiver student insurance plan requires $25 co-pay for office visits for services received outside Campus Health (questions regarding specific charges should be addressed to BCBS). There is a $75 co-pay for Urgent Care appointments. An emergency room visit has a separate $400 co-pay. This encourages students to make informed decision on Emergency Room visits.

Covered Benefit - A covered benefit is a medical service or procedure, prescription, immunization, x-ray, etc. that your insurance carrier will consider for payment. Depending on your specific insurance policy, your insurance carrier may not pay a covered benefit until you have satisfied (paid) your deductible, co-pay or co-insurance and the payment of a covered benefit may apply differently at an in-network and out-of-network provider.

Covered Illness/Sickness - A covered illness/sickness is any disease, infection, or
condition other than injury that is first treated or diagnosed by a doctor on or after the effective date of coverage under the insurance plan, unless pre-existing condition waivers apply.

**Covered Injury** - A covered injury is an accidental body injury that causes loss - directly and independently of all other causes - and is sustained on or after the effective date of coverage under the plan, unless pre-existing condition waivers apply.

**Deductible** - A deductible is the amount of out-of-pocket expenses the insured person (you) must pay for health services before benefits become payable by the insurance carrier.

**EOB or EOP**? This is an Explanation of Benefits or Explanation of Payment. Your insurance carrier provides this information for each claim submitted. It explains how the payment was made for each claim. Sometimes the EOB or EOP will request additional information to continue processing a claim. EOB?s should be reviewed carefully.

**Formulary** - A list of prescription drugs, both generic and brand name, that are preferred by your insurance company.

**Generic Drug** - A drug that is the same as a brand name drug in dosage, safety, strength, how it is taken, quality, performance, and intended use. Before approving a generic drug product, the FDA (Federal Drug Administration) requires many rigorous tests and procedures to assure that the generic drug can be substituted for the brand name drug.

**Grandfathered Health Plan** - A health plan that was created, or an individual health insurance policy that was purchased on or before March 23, 2010 and the written policy has not changed. Grandfathered plans are exempted from many changes required under the Affordable Care Act.

**Hard Waiver** - Health insurance is required as a condition of enrollment. Students may waive the UNC System Student Health Insurance Plan, but must provide proof of existing creditable insurance coverage.

**Insurance Payment** - Your insurance policy must be in effect at the time of services for your insurance carrier to consider any services for payment. Treatment before your effective date or after your termination date will not be paid.

**In-Network Provider** - An in-network provider has contracted with your insurance carrier to take an adjustment (reduce the amount you have to pay the provider). The adjustment will vary depending on your insurance policy.

**Non-Formulary** - Drugs that are not on the insurance companies list of preferred drugs. This would be an extra cost to the patient. Usually there is an alternative option
of the drug that can be used or prescribed by your physician.

**Out-of-Network Provider** - An out-of-network provider is not contracted with your insurance carrier and is not required to give an adjustment.

**Pre-Existing Condition** - A pre-existing condition is an injury, illness, or pregnancy for which medical care, treatment, diagnosis or medical advice was received or recommended or medication was prescribed prior to the effective date of the insured person's coverage under the insurance plan. The current student insurance plan limits pre-existing conditions to within six months prior to the plan effective date.

**Primary Care Physician (PCP)** - A physician, nurse practitioner, clinical nurse specialist or physician assistant, who provides, coordinates or helps you access a range of health care services.

**Qualifying Life Event** - If you have a life event similar to the ones listed, you may be able to enroll in insurance outside of the normal open enrollment period. You have a 30 day deadline to enroll after the Qualifying Life Event.

- get married
- have a baby, adopt a child or place a child for adoption
- gain citizenship
- gain/lose a dependent
- move out of current insurance coverage area
- aged off parent's insurance
- get divorced
- graduate and lose school insurance
- Cobra expires
- loss of work insurance

**Referral** - A referral happens when students require services that cannot be provided at Campus Health. The Campus Health Referral Coordinator arranges the referral with service providers in the student's insurance network when possible.

**Specialist** - A physician who focuses on a specific area of medicine.

For additional definitions visit BCBS at: [http://studentbluenc.com/#/uncch/welcome](http://studentbluenc.com/#/uncch/welcome)

[1] Source URL: https://campushealth.unc.edu/charges-insurance/insurance/commonly-used-insurance-terms
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