

## Basic Insurance Concepts Terms and Definitions

Term	Definition
<b>Authorization</b>	<ul style="list-style-type: none"> <li>• <b>Permission</b> for a treatment or procedure issued by the PMG with a unique identifying number.</li> <li>• Necessary for the treatment or procedure to be covered by the insurance company.</li> </ul>
<b>Co-insurance</b>	<ul style="list-style-type: none"> <li>• The percentage (%) of a covered expense the patient must pay each time they receive services.</li> </ul>
<b>Co-Pay</b>	<ul style="list-style-type: none"> <li>• A specific dollar amount the patient must pay for a specific type of visit or service.</li> <li>• Usually collected at the time of visit or service.</li> </ul>
<b>Deductible</b>	<ul style="list-style-type: none"> <li>• A specific dollar amount the patient must pay towards medical expenses before the insurance begins paying for covered services.</li> </ul>
<b>Managed Care</b>	<ul style="list-style-type: none"> <li>• The current trend in health insurance companies and publicly funded health insurance plans.</li> <li>• Used to control costs with important limitations on where the health care is received.</li> <li>• Many rules and restrictions.</li> </ul>
<b>Non-Managed Care</b>	<ul style="list-style-type: none"> <li>• Patient has the freedom to choose when and where they receive medical care without losing total coverage.</li> <li>• Patient liability may change.</li> </ul>
<b>Member</b>	<ul style="list-style-type: none"> <li>• Any person covered by a health insurance plan.</li> </ul>
<b>Premium</b>	<ul style="list-style-type: none"> <li>• Amount paid to the insurance company to obtain health insurance.</li> <li>• Payments are usually monthly.</li> </ul>
<b>Primary Care Provider (PCP)</b>	<ul style="list-style-type: none"> <li>• A managed care provider who coordinates all of the patient's medical care and regulates the patient's access to health care.</li> </ul>
<b>Primary Medical Group (PMG)</b>	<ul style="list-style-type: none"> <li>• A group of medical providers who have joined together and contracted with insurance companies to provide care for managed care patients.</li> </ul>
<b>Referral</b>	<ul style="list-style-type: none"> <li>• A document or verbal statement (<b>communication</b>) from one medical provider to another medical provider regarding the medical service or treatment a patient is to receive within the same group of providers.</li> </ul>
<b>Subscriber</b>	<ul style="list-style-type: none"> <li>• Person who obtains the health insurance through employment, purchase, or by qualifying for a publicly funded health insurance program.</li> </ul>