

# EMPLOYEE BENEFITS

## KEY TERMS



**Brand-name Drugs:** Drugs that have trade names and are protected by patents. Brand-name drugs are generally the costliest choice.

**Coinsurance:** The percentage of a covered charge paid by the plan.

**Copayment (copay):** A flat dollar amount you pay for medical or prescription drug services regardless of the actual amount charged by your doctor or healthcare provider.

**Deductible:** The annual amount you and your family must pay each year before the plan pays benefits.

**Generic Drugs:** Generic drugs are less expensive versions of brand-name drugs that have the same intended use, dosage, effects, risks, safety, and strength. The strength and purity of generic medications are strictly regulated by the federal food and drug administration.

**High Deductible Health Plan:** A health plan with a high deductible used in conjunction with a health reimbursement account (HRA) or a health savings account (HSA).

**Health Reimbursement Account (HRA):** A fund you can use to help pay for eligible medical costs that are not covered by your medical plan. Funds are contributed to the HRA by your employer.

**Health Savings Account (HSA):** A fund you can use to help pay for eligible medical costs that are not covered by your medical plan. Both employers and employees may contribute to this fund; employees do so through pre-tax payroll deductions.

**In-Network:** Use of a health care provider that participates in the plan's network. When you use providers in the network, you lower your out-of-pocket expenses because the plan pays a higher percentage of covered expenses.

**Inpatient:** Services provided to an individual during an overnight hospital stay.

**Mail-Order Pharmacy:** Mail-order pharmacies generally provide a 90-day supply of a prescription medication for the same cost as a 60-day supply at a retail pharmacy, and they offer the convenience of shipping directly to your door.

**Out-of-Network:** Use of a healthcare provider that does not participate in the plan's network.

**Out-of-Pocket Maximum:** The maximum amount you and your family pay for eligible expenses each plan year. Once your expenses reach the out-of-pocket maximum, the plan pays 100% of eligible expenses for the remainder of the year.

**Outpatient:** Services provided to an individual at a hospital facility without an overnight hospital stay.

**Primary Care Physician (PCP):** A physician (generally a family practitioner, internist, or pediatrician) who provides ongoing medical care. A primary care physician treats a wide variety of health-related conditions and refers patients to specialists, as necessary.

**Specialist:** A physician who has specialized training in a particular branch of medicine (e.g., a surgeon, gastroenterologist, or neurologist).