



Health Insurance Terms

Understand your health insurance.

Health insurance terms can be confusing. Here is a list of some terms that may be helpful as you apply for and choose a plan on kynect. If you need further assistance, you can call the Kentucky Health Benefit Exchange at 855-459-6328, visit kynect.ky.gov, or contact an insurance agent or kynector.

Appeal

An appeal may be:

- A request to your health insurance company if your health plan refuses to pay a claim or ends your coverage. If your health plan refuses to pay a claim or ends your coverage, you have the right to appeal the decision and have it reviewed by a third party.
 - A request of the Kentucky Health Benefit Exchange to review a decision that denies eligibility or enrollment in a Qualified Health plan.
 - A request of the Kentucky Health Benefit Exchange to review a decision to deny eligibility for SHOP.
-

Authorized Representative

Someone who you choose to act on your behalf with the kynect, such as a family member or other trusted person. Some authorized representatives may have legal authority to act on your behalf.

Advance Premium Tax Credit (APTC)

A tax credit you can take in advance to lower your monthly health insurance payment (or “premium”). When you apply for coverage, you estimate your expected income for the year. If you qualify for a premium tax credit based on your estimate, you can use any amount of the credit in advance to lower your premium.



- If at the end of the year you have taken more premium tax credit in advance than you're due based on your final income, you'll have to pay back the excess when you file your federal tax return.
 - If you've taken less than you qualify for, you'll get the difference as a refund or reduction of taxes owed.
-

Agent

A trained insurance professional who can help you apply for and enroll in a Qualified Health Plan through kynect and see if you qualify for help paying for coverage. You won't pay anything additional for your plan if you enroll with an agent or broker. They can make specific recommendations about which plan you should enroll in. They're also licensed and regulated by the Kentucky Department of Insurance and registered by kynect; they typically receive payments, or commissions, from health insurers for enrolling a consumer into an issuer's plans. Some agents may only be able to sell plans from specific health insurers. An agent may also assist a small employer in enrolling their employees in a health plan with an issuer.

Affordable Care Act (ACA)

The comprehensive health care reform law enacted in March 2010 (sometimes called ACA, PPACA, or "Obamacare").

The law has 3 primary goals:

- Make affordable health insurance available to more people. The law provides consumers with subsidies ("premium tax credits") that lower costs for households
 - Expand the Medicaid program to cover all adults with income below 138% of the federal poverty level.
 - Support innovative medical care delivery methods designed to lower the costs of health care generally.
-

Benefits

The healthcare items or services covered by your health insurance plan.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Benefit Year

A year of benefits coverage under an individual health insurance plan. The benefit year for plans bought through kynect begins January 1 of each year and ends December 31 of the same year. Your coverage ends December 31 even if your coverage started after January 1. Any changes to benefits or rates to a health insurance plan are made at the beginning of the calendar year. Small businesses who enroll employees plans may have different plan years depending on when they apply for coverage.

Claims

A request for payment that you or your healthcare provider sends to your insurance company when you get items (such as medicine) or services (such as a doctor visit).

Cost-Sharing Reductions (CSRs)

Also known as “Special Discounts,” CSRs are discounts that lower the amount you have to pay for deductibles, copayments, and coinsurance. If you qualify, you must enroll in a plan in the Silver category to get these special discounts savings. If you are an American Indian or Alaskan Native, you may be eligible for other special discounts. There is a separate fact sheet regarding these discounts and other benefits for which you may be eligible.

Catastrophic Plan

A type of plan that may be offered by issuers in your area that lowers monthly premiums and protects you from very high medical costs. A catastrophic plan generally requires you to pay all of your medical costs up to a certain amount. You must be under 30 to buy a catastrophic plan through kynect or have a hardship exemption.

Coinsurance

An amount you pay that is your share of the cost of healthcare after you meet the deductible. Coinsurance is usually a percentage of the cost of the service.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Copay or Copayment

An amount you pay each time you get healthcare, such as when you go to the doctor or hospital or you get a prescription. Usually the copay is a set amount, such as \$30.

Deductible

The amount you must pay for health care services or prescriptions before your plan begins to pay. Some insurance plans have separate deductibles for health care services and prescriptions. There may be a separate deductible for each member of the family, as well as the entire family.

Dental Insurance

Insurance that covers basic and preventive dental services such as teeth cleaning, X-rays and fillings. Some cover major services, including crowns and bridges.

Dependent

A child or other individual for whom a parent, relative, or other person may claim a personal exemption tax deduction.

Effective Date

The date your health insurance starts.

Effectuation

A process by which a consumer's coverage is activated with an issuer after the receipt of the initial premium. Since all QHPs on the KHBE operate on a pre-paid model, the first premium must be received by the issuer offering the QHP before coverage is considered effective. Failure to pay this initial premium within the first 30 days may result in cancellation of the consumer's enrollment.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Eligible Immigration Status

An immigration status that is considered eligible for getting health coverage through kynect. The rules for eligible immigration status may be different for each insurance affordability program.

Essential Health Benefit

A set of 10 categories of services health insurance plans must cover under the Affordable Care Act. These include doctors' services, inpatient and outpatient hospital care, prescription drug coverage, pregnancy and childbirth, mental health services, and more. Some plans cover more services. Plans must offer pediatric dental coverage. Dental benefits for adults are optional. You will see a summary of what each plan offers when you compare plans.

Exclusive Provider Organization (EPO) Plan

A managed care plan where services are covered only if you go to doctors, specialists, or hospitals in the plan's network (except in an emergency).

Excluded Services

Healthcare services that your insurance plan does not pay for, such as cosmetic surgery.

Explanation of Benefits (EOB)

A statement sent by your insurance company explaining what the company paid for and what you must pay for medical treatments and services. This is not a bill.

Exchange

Another term for health insurance marketplaces. Kentucky's health insurance marketplace is called kynect.

Full-Time Employee (FTE)

Any employee who works an average of at least 30 hours per week for more than 120 days in a year. Part-time employees work an average of less than 30 hours per week.



Federal Poverty Level (FPL)

A measure of income issued every year by the Department of Health and Human Services. Federal poverty levels are used to determine eligibility for certain programs and benefits, including savings on Marketplace health insurance, and Medicaid and CHIP coverage.

Generic Medication

A prescription drug that has the same active ingredient or formula as a brand-name drug, but it usually costs less.

Habilitative/Habilitation Services

Health care services that help you keep, learn, or improve skills and functioning for daily living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology, and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Health Insurance Marketplace

A website that helps people shop for and enroll in affordable health insurance. Kentucky's health insurance marketplace (kynect) provides eligibility determination, health plan shopping, and health plan enrollment through its website, contact center, and in-person help.

Household

kynect generally considers your household to be you, your spouse if you're married, and your tax dependents. Your eligibility for savings is generally based on the income of all household members, even those who don't need insurance.

Health Maintenance Organization (HMO)

Health Maintenance Organization is a type of insurance plan that usually limits coverage to care from in-network providers. It generally will not cover out-of-network care unless it is an emergency.



HRA (Health Reimbursement Arrangement)

A health benefits plan where your employer contributes a certain amount to the HRA. You use the money to pay for qualifying medical expenses. For some types of HRAs, you can also use the money to pay monthly premiums for a health plan you buy yourself.

HSA (Health Savings Account)

A medical savings account that may be available if you have a High Deductible Health Plan. Money you put into an HSA is not taxed at the time you put it in the account. This money must be used for qualified medical costs.

In-Network Providers

The doctors and healthcare facilities (such as hospitals) that provide health services covered by your insurance. Usually it is cheaper to go to an in-network provider.

Insurance Agent

A person or business that can give you advice on insurance and enroll you in a health plan. Some agents may only be able to sell plans from certain companies.

KCHIP (Kentucky Children's Health Insurance Program)

KCHIP offers free or low-cost health insurance for children younger than 19.

kynector

Individuals trained and certified to answer questions and help people apply for health insurance. They are located in all counties across the state.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Lawfully Present

The term “lawfully present” is used to describe immigrants such as:

- “Qualified non-citizen” immigration status without a waiting period
 - Humanitarian statuses or circumstances (including Temporary Protected Status, Special Juvenile Status, asylum applicants, Convention Against Torture, victims of trafficking)
 - Valid non-immigrant visas
 - Legal status conferred by other laws
-

Life Event (or Qualifying Life Event)

A change in your life that could qualify you for a Special Enrollment period. Life events may include getting married, having a baby, adopting a child, moving to a permanent address in Kentucky, leaving incarceration, gaining citizenship, or losing health coverage.

MCO (Managed Care Organization)

A Managed Care Organization is operated by an insurance company and provides Medicaid approved health care services through a contract with the Kentucky Department for Medicaid Services.

Medicaid

Medicaid is a program funded jointly by states and the federal government that provides health coverage for some low-income people, families and children, pregnant women, the elderly, and people with disabilities. Medicaid is administered by states, according to federal requirements

Metal Level

All health plans sold through kynect may have one of four "metal" levels (Bronze, Silver, Gold and Platinum). As the metal level increases from Bronze to Platinum, so does the amount that the plan covers (coinsurance). A Bronze plan usually has a lower premium (what you pay each month) and a higher out-of-pocket cost (what you pay over time for healthcare).



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Modified Adjusted Gross Income (MAGI)

The income used to determine eligibility for premium tax credits and other savings for kynect health insurance plans, Medicaid, and the Kentucky Children's Health Insurance Program (KCHIP). MAGI is adjusted gross income (AGI) plus these, if any: untaxed foreign income, non-taxable Social Security benefits, and tax-exempt interest.

- For many people, MAGI is identical or very close to adjusted gross income.
 - MAGI doesn't include Supplemental Security Income (SSI).
 - MAGI does not appear as a line on your tax return.
-

Minimum Essential Coverage (MEC)

An insurance plan that meets the Affordable Care Act requirement for having health coverage. Plans you buy through kynect.ky.gov are Minimum Essential Coverage. Other plans such as those offered through employers, Medicaid, Medicare, KCHIP, TRICARE, etc. may also meet the requirements of Minimum Essential Coverage

Open Enrollment Period

The yearly period when people can enroll in a plan through kynect.

Out-of-Network Providers

Doctors and health care facilities (such as hospitals) that provide health services that may not be covered by your insurance. You may pay more to use them.

Out-of-Pocket Costs

What you pay for medical care that is not paid by insurance. Out-of-pocket costs include deductibles, coinsurance, copayments and any other expense that is not covered by your plan.

Out-of-Pocket Maximum/Limit

The most you will typically pay during a policy period (usually one year) before your health insurance plan starts to pay 100% of the cost of services. There is usually a separate out-of-pocket maximum for each member of the family, as well as the entire family.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654

Payment Assistance

A tax credit that lowers the cost of your health insurance. It can lower what you pay every month or be a yearly savings on your taxes. It is also called Advanced Premium Tax Credit or APTC.

Premium

The amount you pay every month to keep health insurance. You will get a bill each month from your insurance company. You have to pay the bill every month to keep insurance.

Premium Tax Credit

A tax credit you can in advance use to lower your monthly insurance payment (called your “premium”) when you enroll in a plan through kynect or you may take the tax credit at the end of the year when you file taxes. Your tax credit is based on your annual income and your tax household size.

Point of Service (POS)

Point of Service is a type of insurance plan where you pay less if you use doctors, hospitals and other providers that belong to the plan’s network. POS plans require you to get a referral from your primary care provider (PCP) in order to see a specialist.

Preferred Provider Organization (PPO)

Preferred Provider Organization is a type of insurance plan where you pay less if you use in-network providers. You can use doctors, hospitals and other providers outside of the network, but it will cost more.

Preventive Services

Routine health care that includes checkups to prevent illnesses, disease or other health problems. Many of these services are free under the Affordable Care Act.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Primary Care Provider (PCP)

Doctor, nurse practitioner or physician assistant who provides, coordinates or helps you get the healthcare you need. You can see a PCP for preventive services even if you are not sick.

Qualified Health Plan (QHP)

An insurance plan that's certified by the Health Insurance Marketplace, provides essential health benefits, follows established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts), and meets other requirements under the Affordable Care Act. All qualified health plans meet the Affordable Care Act requirement for having health coverage, known as "minimum essential coverage."

Reconcile

How you find out if you used the right amount of premium tax credit during the year. To reconcile, you compare two amounts: the premium tax credit you used in advance during the year to lower the costs of your insurance premiums; and the amount of tax credit you qualify for based on your final income. You'll use IRS Form 8962 to do this. If you used more premium tax credit than you qualify for, you'll pay the difference with your federal taxes. If you used less, you'll get the difference as a credit.

Rehabilitative/Rehabilitation Services

Health care services that help you keep, get back, or improve skills and functioning for daily living that have been lost or impaired because you were sick, hurt, or disabled. These services may include physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation services in a variety of inpatient and/or outpatient settings.

Second Lowest Cost Silver Plan (SLCSP)

The second-lowest priced kynect health insurance plan in the Silver category that applies to you. You need to know your Second Lowest Cost Silver Plan (SLCSP) premium to figure out your final premium tax credit when you file your tax return. Your Second Lowest Cost Silver Plan may not be the plan you enrolled in. In most cases, you'll find your SLCSP premium on Form 1095-A.



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654



Special Discounts

Also called Cost-Sharing Reductions or CSRs, these are savings that lower your out-of-pocket costs on visits to a doctor, copayments and deductibles. You can only get special discounts on Silver-level plans: If you are an American Indian or Alaskan Native, you may be eligible for other special discounts. There is a separate fact sheet regarding these discounts and other benefits for which you may be eligible.

Special Enrollment Period

A time outside of the Open Enrollment Period when you can enroll in a health plan if you have a qualifying life event.

Specialist

A provider who focuses on a specific area of medicine, such as the heart or bones. The copay is usually higher to see a specialist.

Stand-alone Dental Plan

A type of dental plan offered through kynect that's not included as part of a health plan. You may want this if the health coverage you choose doesn't include dental, or if you want different dental coverage.

Statement of Benefits and Coverage (SBC)

A summary of a health plan's benefits and coverage. This summary helps you compare plans.

Tax Household

Your tax household includes the tax filer, spouse, and any individuals who are claimed as dependents on your federal income tax return.

Termination Date

The date your health coverage ends.

