

Common Insurance Terms

Quick Reference Guide

Allowable Amount

Maximum amount on which payment by the insurance company is based for covered health care services. If the provider charges more than the allowed amount the patient may be responsible for paying the difference.

Coinsurance

The patient's share of the cost of care, calculated as a percentage of the allowable amount. Patients are typically responsible for paying coinsurance after their deductible has been met.

Coordination of Benefits

Agreement for determining which payer pays first when two or more health insurance plans are responsible for paying the same medical claim.

Copayment

Fixed amount owed for a health care service, due at the time the services are provided. Technically a form of coinsurance, the copay must be paid before any policy benefits are payable by an insurance company.

Deductible

The amount owed by the patient for health care services before the plan begins to pay. Depending on the plan, some services may be covered before the deductible is met, and after many plans require patients to share in the cost via coinsurance.

Maximum Benefits

The maximum amount an insurance plan will pay out during a specified plan period. There may be maximum benefits places across all care, or set for specific services. After the maximum benefit has been reached the patient is responsible for 100% of the cost for the remainder of the plan period.

Premium

The amount that must be paid for an insurance plan.

For a full glossary of common insurance terms, visit www.healthcare.gov/glossary