



# HEALTH PLAN ALPHABET SOUP DECODED

## How to Make Sense of Acronyms

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Do you ever feel like trying to decode your health plan is like staring into a bowl of alphabet soup? Sure, our childhood letter-shaped soup is packed with things that are good for you — but the letters in your bowl can look like a jumbled word puzzle.

Reading about your health plan shouldn't make you feel that way, and GuideStone® is here to help. Let's sort out the acronyms so that your health plan — much like your bowl of alphabet soup — is a helpful part of your overall well-being.

Here are some common health care acronyms and their meanings. ►

## ► EXPLAINING YOUR BENEFITS

These are the acronyms you're most likely to see in information about your health plan's benefits. You'll often see these acronyms in plan booklets, on your provider's website and in the documents provided by your plan.

**AB**

### **ALLOWED BENEFIT**

This is the predetermined amount that your health plan will pay for a covered visit, test or procedure. Knowing your allowed benefit can prevent you from excessive out-of-pocket costs.

**COB**

### **COORDINATION OF BENEFITS**

The process of determining which plan will have primary responsibility for paying a claim when the person receiving care has coverage through more than one carrier. This occurs most often when an individual is covered by his or her own health care plan and a spouse's plan — or when one spouse is on Medicare and a private plan.

**ER/ED**

### **EMERGENCY ROOM/EMERGENCY DEPARTMENT**

Refers to emergency rooms in hospitals and free-standing emergency rooms. Understanding how emergency room benefits are administered helps you determine when it's best to visit the ER.

**EOB**

### **EXPLANATION OF BENEFITS**

This document details how much your plan paid for each claim submitted and how much your portion of the claim will be. It is important to carefully review each EOB provided by your plan.

**MAC**

### **MAXIMUM ALLOWABLE COST**

Refers to the upper limit or maximum that a plan will pay for prescription drugs. Knowing the MAC can prevent members from incurring unexpected out-of-pocket expenses.

**MOOP**

### **MAXIMUM OUT-OF-POCKET**

This is the most you'll pay each year for in-network eligible health care services before your health plan begins to pay at 100%. Understanding how out-of-pocket expenses are calculated allows members to plan for their health care costs.

**PPN**

### **PREFERRED PROVIDER NETWORK**

A group of health care providers who agree to participate in an insurance plan's provider network at a discounted rate. Using PPNs helps keep patient costs low.

## ► MAKING SENSE OF LEGAL AND REGULATORY TERMS

Federal and state governments often rely on these acronyms to describe health care-related terms. You'll see these acronyms on government websites, in your provider's plan booklets and even in the news.

ACA

### **AFFORDABLE CARE ACT**

The Patient Protection and Affordable Care Act (ACA) was passed into law in 2010. The comprehensive health care reform law was intended to make health care more affordable and available, and implemented new requirements for large employers and health plan providers.

EBSA

### **EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

The EBSA administers, regulates and enforces the provisions of Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA) by offering information about and assistance with employer-sponsored health plans and retirement accounts. The EBSA is part of the United States Department of Labor.

FSA

### **FLEXIBLE SPENDING ACCOUNT**

An FSA is a savings account that allows an individual to set aside a portion of his or her income in a tax-free account to pay for qualified medical expenses. These plans are renewed on an annual basis.

HRA

### **HEALTH REIMBURSEMENT ARRANGEMENT**

Employers fund an HRA and use it to reimburse employees for qualified medical expenses and monthly health plan costs. The account offers tax advantages to both the employer and the employee.

HSA

### **HEALTH SAVINGS ACCOUNT**

This tax-free savings account allows individuals to plan ahead by saving for health-related expenses. This account is most commonly paired with an HSA-qualified High Deductible Health Plan (HDHP). Members may set aside cash in an HSA until they transition into Medicare. The money saved in these accounts is accessible at any time during the employee's life, including when he or she is on Medicare.

HIPAA

### **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**

HIPAA was enacted in 1996 with the main objectives of protecting employees' health insurance coverage when they change or lose their jobs, and ensuring the protection and confidential handling of individuals' health care information.

## ► HEALTH PLAN INDUSTRY ACRONYMS

The industry that provides health plans has a vocabulary all its own. You're likely to hear some of these common acronyms in conversations with your health plan or medical providers.

<b>BCBS</b>	<b>BLUE CROSS BLUE SHIELD</b> GuideStone contracts with Highmark® Blue Cross Blue Shield (BCBS®) to provide you access to a nationwide network of quality health care providers. More than 90% of medical providers are part of the BCBS network, making it easy for you to find help when you need it.
<b>EE</b>	<b>EMPLOYEE</b> Designates an employee who is part of his or her employer's group health plan.
<b>ER</b>	<b>EMPLOYER</b> Designates the provider in a group health plan, which is usually the member's employer.
<b>EPO</b>	<b>EXCLUSIVE PROVIDER ORGANIZATION</b> Members in an EPO are limited to using providers in the exclusive network. Any care received outside the network is not covered. Most EPOs have lower overall costs, and it is simple to move to specialists within the provider network. EPOs work best when members and providers are clustered together in a single geographic area.
<b>HDHP</b>	<b>HIGH DEDUCTIBLE HEALTH PLAN</b> This plan generally has a higher deductible and lower monthly costs than a traditional health plan, such as a Preferred Provider Organization (PPO). Many employers who have a healthy employee group choose to offer HDHPs.
<b>HMO</b>	<b>HEALTH MAINTENANCE ORGANIZATION</b> A plan that only covers care within a smaller network of providers (except cases of emergency) and requires a designated Primary Care Provider (PCP) to coordinate your health care and provide specialist referrals.
<b>HPN</b>	<b>HIGH PERFORMANCE NETWORK</b> A network of providers committed to delivering higher quality health care at lower costs.
<b>PPO</b>	<b>PREFERRED PROVIDER ORGANIZATION</b> In this type of health plan, medical providers, such as doctors and hospitals, agree to a contracted rate so they can be included in a health plan provider's preferred network. This results in cost savings for the member.
<b>POP</b>	<b>PREMIUM ONLY PLAN</b> This type of cafeteria plan allows employees to pay for their monthly health care costs (either in their employer's plan or an individual plan) with tax-free dollars. This allows employees to lower their taxable income and allows employers to avoid paying FICA taxes on that portion of the employees' income.
<b>POS</b>	<b>POINT OF SERVICE</b> A type of plan with coverage levels dependent on whether your "point of service" — your chosen provider — is in or out of network and whether you've obtained required referrals. POS plans are a blend of HMO and PPO plans and offer the ability to go to an out-of-network provider, but it may come with greater limitations such as required referrals and less coverage.

## ► UNDERSTANDING PRESCRIPTION BENEFITS

Many health plans have built-in prescription drug benefits. Learning these acronyms can help members find the highest quality, lowest-cost prescriptions to meet their needs and stay healthy.

**PBM**

### PHARMACY BENEFIT MANAGER

Companies that manage prescription drug benefits for health plans and other benefit providers are known as PBMs. They negotiate with manufacturers to keep prescription drug costs low. Express Scripts® (ESI) is GuideStone's PBM.

**PDL**

### PREFERRED DRUG LIST

This is a list of prescription drugs covered by a health plan and approved by Medicaid programs per state. It is also called a formulary. Medications on the list are known as preferred. Those not on the list are non-preferred and may require an extra authorization. Some Pharmacy Benefit Managers (PBMs) use a PDL to determine which drugs they will provide.

**Rx**

### PRESCRIPTION DRUG

The symbol "Rx" is thought to originate from the Latin word "recipe", which also means "to take". Today, most health plans include an Rx plan to provide prescription drugs via mail order and pharmacy pickup.

## WE'RE HERE TO CLEAR UP THE CONFUSION

At GuideStone, we understand that health plan terminology can be confusing. That's why we're always available to work with you to find the best plan, help each member understand his or her benefits, and provide helpful service when you have a question or need help with coverage.

**Learn more about how GuideStone's unique church health plans fit into your ministry's overall well-being:**

[GuideStone.org/HealthPlans](https://www.guidestone.org/HealthPlans)

