GuideStone®

INSURANCE ALPHABET SOUP DECODED:

How to Make Sense of the Jumble of Health Care Acronyms

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

Reading information 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 care plan — much like your bowl of alphabet soup — is a healthy part of your overall well-being.

Here are some common health care acronyms, along with their meanings and what you need to know about them.

EXPLAINING YOUR BENEFITS

These are the acronyms you're most likely to see in relation to discussions 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 exactly when it's right 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 participants from incurring unexpected out-of-pocket expenses.
MOOP	**MAXIMUM OUT-OF-POCKET** This is the amount members shared in paying for their health claims. Understanding how out-of-pocket expenses are calculated allows participants to plan for their medical costs.
PPN	**PREFERRED PROVIDER NETWORK** A group of medical 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. Also known colloquially as Obamacare, the comprehensive health care reform law implemented many 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 insurance premiums. 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). Participants 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 the time when he or she is on Medicare.

HIPAA

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

The HIPAA rules were rolled out in 1996 with the purpose of helping employees protect their health care coverage when switching jobs and to provide additional security for an individual's health care data.

HEALTH INSURANCE 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 your medical providers.

BCBS	**BLUE CROSS BLUE SHIELD** 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.
EE	**EMPLOYEE** Designates an employee who is part of his or her employer's group health plan.
ER	**EMPLOYER** This is often used to designate the provider in a group insurance plan, who is usually the participant's employer.
EPO	**EXCLUSIVE PROVIDER ORGANIZATION** 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 participants and providers are clustered together in a single geographic area.
HDHP	**HIGH DEDUCTIBLE HEALTH PLAN** This plan generally has a higher deductible and lower monthly costs than a traditional insurance plan, such as a Preferred Provider Organization (PPO). Many employers who have a healthy employee group choose to offer HDHPs.
HMO	**HEALTH MAINTENANCE ORGANIZATION** A plan that only covers care within a smaller network of providers (except in case of emergency) and requires a designated Primary Care Provider (PCP) to coordinate your health care and provide referrals to specialists.
HPN	**HIGH PERFORMANCE NETWORK** An in-network only access plan with a refined network of providers chosen based on their commitment to enhancing care quality and lowering costs.
PPO	**PREFERRED PROVIDER ORGANIZATION** A type of health plan in which medical providers such as doctors and hospitals agree to a contracted rate to be included in an insurance provider's preferred network. This results in cost savings for the participant.
POP	**PREMIUM ONLY PLAN** These are a type of cafeteria plan whereby employees are allowed to pay for their insurance premiums (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.
POS	**POINT OF SERVICE** A type of plan where your level of coverage depends 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 where you have 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 participants 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 is GuideStone's PBM.
PDL	**PREFERRED DRUG LIST** This is a list of prescription medications approved by each state's Medicaid program for dispensing to individuals on the plans. 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 medical plans include an Rx plan to provide prescription drugs via mail order and pharmacy pickup.

WE'RE HERE TO CLEAR UP THE CONFUSION

GuideStone understands that medical plan terminology can be confusing. That's why we're always available to work with you on finding the best plan, ensure that each member of your team understands 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:

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