

Understanding Benefit Lingo

Here are some terms and definitions that will help you understand your coverages.

Brand Name Medications are drugs that are patented, manufactured and distributed by only one pharmaceutical manufacturer.

COBRA: The Consolidated Omnibus Budget Reconciliation Act allows you and/or covered dependents to extend health, dental and/or vision coverage beyond the date on which eligibility would normally end. You pay the full premiums plus a 2% administrative fee for this extended coverage. This is not available through the Grad plan, although some extension of coverage is allowed.

Coinsurance or cost sharing: The cost of a health or dental expense that is shared between you and the plan after you pay your deductible. For example, the A&M Care plan's share of most expenses is 70% and your share (coinsurance amount) is 30%.

Copayment: A set dollar amount you pay toward an expense, such as an office visit or prescription drug. The remaining cost is covered by the plan.

Deductible: The amount of money you must pay toward health, prescription drug or dental expenses for each family member each year before health, drug or dental benefits are reimbursable in most cases. After you have paid your deductible, future expenses are covered at the coinsurance or copayment amount. Copayments do not count toward the deductible. You can submit claims for reimbursement of deductible, coinsurance and copayment amounts through a Health Care Spending Account.

Generic Medications are drugs that are manufactured, distributed and available under a chemical name without patent protection. A generic drug must have the same active ingredient as its brand name counterpart. Generic drugs typically cost less than brand name drugs.

Non-Preferred or Non-Formulary Drugs are brand name medications that are not on the Preferred List because they are less expensive and effective alternatives are available. Non-Preferred medications require a higher copayment.

Out-of-pocket maximum: Generally, the most you will have to spend each plan year for each covered family member for the annual deductible and your coinsurance. Once you've met the out-of-pocket maximum on yourself or a covered dependent, the plan pays 100% of most remaining expenses for you or the dependent for the rest of that plan year. However, in most cases, you must continue to pay copayments even after you reach the maximum.

PCP/Specialist: Under the A&M Care and Graduate Student Health plans, a primary care physician (PCP) is a general or family practitioner, an internal medicine doctor or a pediatrician.

Preferred or Formulary drugs: A list of drugs that are periodically reviewed and updated by a committee of physicians, pharmacist and other health professionals for effectiveness and cost effectiveness. Each plan has their own Preferred Drug List. Often, brand drugs that have generics available will not be on the formulary list to encourage individuals to purchase the less expensive generic.

Reasonable and customary fee: The lower of the actual charge for the services or supplies, or the usual charge of most other doctors, dentists or other providers of similar training or experience in the same geographic area for the same or similar services or supplies.