

UNDERSTANDING HEALTH INSURANCE TERMINOLOGY



Geoffrey P Harris

201 E. Seventeenth St., Suite C

Traverse City, MI 49684

Phone: (231) 944-1400

FAX: (231) 944-1403

Website: www.harrisagencyllc.com

Geoff@HarrisAgencyLLC.com

What is a Network?

A network is a group of doctors and hospitals that accept a certain health insurance plan. All health insurance plans are divided into networks.

PPO or preferred provider organization, has a broad network of doctors and hospitals. Customers can choose any doctor, both in and out of network, and they won't need referrals from a primary care physician to see a specialist.

HMO or health maintenance organization, also has a more local network of doctors and hospitals. Customers choose a primary care physician in the HMO network who will coordinate care and provide referrals to specialists.

What is AGI?

Adjusted Gross Income is an individual's total gross income minus specific deductions.

What is a Subsidy?

A subsidy is financial assistance that helps you pay for something. It's not a loan; you don't pay it back. There are two kinds of subsidies available from the federal government for individual health insurance plans.

- 1) Advanced Premium Tax Credit – lowers your monthly health insurance payment, or premium
- 2) Cost Sharing Reduction – reduces the out-of-pocket costs you pay during a policy period (usually a year) for health care services you receive. It includes your deductible, coinsurance and copays, which all add up to your out-of-pocket maximum.

What is a Health Savings Account?

A health savings account, or HSA, is a kind of health spending account. It can be paired with any qualifying plan. It's like a 401(k) and a checking account combined that you can use for your medical expenses.

For more information visit www.harrisagencyllc.com