NYIT -- Common Insurance Terms – 9/26/17

Co-payment
A fixed amount paid for a covered health care service. Co-payments are usually collected when the service is provided. The amount varies based on the plan and the nature of the visit i.e., PCP or Specialist.

Co-insurance
The employee's share of the costs of a covered health care service, calculated as a percent of the negotiated fee (for in-network) and the "usual and customary" fee (for out-of-network).

Deductible
The amount an employee must pay for health care services before the health insurance plan begins to pay. For example, if the individual deductible is $800, coinsurance won't apply until the employee has paid $800 in covered expenses. The deductible may not apply to all services. Copayments do not apply to the deductible.

Out-of-pocket maximum
Out-of-pocket maximums are set to limit the amount of money paid each calendar year for services. Depending on the NYIT plan chosen, there are separate out-of-pocket maximums which must be individually met. For example, there are separate In-Network and Out-of-Network maximums, and for certain plans, there are separate medical and prescription out-of-pocket maximums. Note: The NYIT High Deductible Plan has a combined out-of-pocket maximum for medical and prescription expenses. Under the NYIT plans, deductibles, co-pays and co-insurance are applied to the out-of-pocket maximum. Any uncovered services or charges in excess of "usual and customary" fees do not apply to the out-of-pocket maximum.

Flexible spending account (FSAs)
A FSA is a benefit plan that allows employees to set aside pre-tax earnings to help pay for qualified expenses. There a multiple types of FSAs including health care FSAs, dependent care FSAs, and transit FSAs. Unused funds have very minimal carry over provisions. The IRS determines annual limits and what expenses are covered.

Health savings account (HSAs)
An HSA is another type of benefit plan that allows workers to set aside pre-tax earnings in a special account to help pay for qualified expenses. A unique feature of an HSA is that employers can also contribute to the employee's account up to combined IRS limits. Unused funds from either source carry over indefinitely. All funds belong to the individual and continue to be available for use after employment with NYIT ends. The IRS determines annual limits and what expenses are covered. The Internal Revenue Service also sets the participant eligibility requirements. For example, employees over the age of 65 who have enrolled in Medicare, may not open/contribute to an HSA but can continue to use funds already in an account. An HSA may only be coupled with a High-Deductible Health Plan and cannot run concurrently with a health care FSA.

High-Deductible Health Plan
A high-deductible health plan (HDHP) is a health insurance plan that has lower employee premiums than a traditional health plan but has higher deductibles. The NYIT HDHP has both in-network and out-of-network provisions and a single out-of-pocket maximum for medical and prescription costs. It also utilizes the same provider network as the Premier and Out-of-Network Plans.

In-Network
The facilities, providers and suppliers your health insurer or plan has contracted with to provide health care services. Plan members usually pay less when using an in-network provider. Plan benefits are determined by "negotiated fees" set by the insurance carrier and the facilities, providers and suppliers of health services.

Out-Of-Network
The facilities, providers and suppliers your health insurer or plan has not contracted with to provide health care services. Plan members usually pay more when using an out-of-network provider versus an in-network provider. Plan benefits are determined by "usual and customary" fees.