

Glossary

Carrier/vendor fair

An event where representatives from plan providers are available to answer questions about coverages provided by their plans.

Claim

Request for payment that the member or their health care provider submits to the health insurer, when services or supplies believed to be covered are provided.

Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)

Federal law that allows you to temporarily keep health coverage after your employment ends, you lose coverage as a dependent of the covered employee or another qualifying event.

Co-insurance

Percentage of allowed charges for covered services a member is required to pay after the deductible has been met and up to the out-of-pocket maximum. For example, health insurance may cover 80% of charges for particular service; the member is responsible for the remaining 20%. In this example the 20% is the co-insurance.

Consumer-Driven Health Plan (CDHP)

Health insurance plan which encourages members to become actively involved in making their own healthcare decisions (i.e., selecting healthcare providers with the lowest cost and highest quality, when receiving services and managing their own fitness and wellness). This type of plan features higher deductibles compared to that of what is known as traditional insurance plans. CDHPs can be paired with a health savings account (HSA) to allow a member to pay for qualified out-of-pocket medical expenses on a pre-tax basis.

Deductible

Dollar amount an employee must pay for medical and prescription services before their health insurance plan begins to pay. This amount varies based upon the plan and coverage level chosen by the employee. These costs can be covered pre-tax by the funds in a HSA if the health plan is a CDHP. Otherwise, they are paid by the employee's personal financial means.

Dependent(s)

- (a) Spouse of an employee;
- (b) Any children, step-children, foster children, legally adopted children of the employee or spouse, or children who reside in the employee's home for whom the employee or spouse has been appointed legal guardian or awarded legal custody by a court, under the age of twenty-six (26). Such child shall remain a "dependent" for the entire calendar month during which he or she attains age twenty-six (26).

In the event a child:

- i.) was defined as a "dependent", prior to age 19, and ii.) meets the following disability criteria, prior to age 19:
 - (I) is incapable of self-sustaining employment by

reason of mental or physical disability,

- (II) resides with the employee at least six (6) months of the year, and
- (III) receives 50% of his or her financial support from the parent

such child's eligibility for coverage shall continue, if satisfactory evidence of such disability and dependency is received by the State or its third party administrator in accordance with disabled dependent certification and recertification procedures. Eligibility for coverage of the "Dependent" will continue until the employee discontinues his coverage or the disability criteria is no longer met. A Dependent child of the employee who attained age 19 while covered under another Health Care policy and met the disability criteria specified above, is an eligible Dependent for enrollment so long as no break in Coverage longer than sixty-three (63) days has occurred immediately prior to enrollment. Proof of disability and prior coverage will be required. The plan requires periodic documentation from a physician after the child's attainment of the limiting age.

Please Note: If you wish to enroll a dependent onto your plans who is over the age of 26 and meets the definition of a disabled dependent but has not been certified with Anthem, please call the Benefits Hotline at 317-232-1167 or toll free at 877-248-0007, if outside the 317 area code, to initiate the disabled dependent certification process. You must contact the Benefits Hotline within 31 days after a disabled dependent turns 26 to ensure that there is no lapse in coverage. Failure to contact the Benefits hotline timely will result in automatic removal. To be eligible to enroll your dependent(s) as part of your Open Enrollment event, you must contact the Benefits Hotline during Open Enrollment and Anthem must certify that your dependent(s) meets the definition of a disabled dependent.

Dependent Care (Flexible Spending Account)

FSA established to pay for certain expenses to care for the dependents of an employee while working (married spouse must be employed as well). While this most commonly means child care, for children under the age of 13, it can also be used for children of any age who are physically or mentally incapable of self-care. It can additionally be used for adult day care for senior citizen tax dependents who reside with the employee, such as parents or grandparents. The maximum annual contribution limit is \$5,000.

Dual coverage

Enrollment of a member in more than one State-sponsored insurance plan with the same type of benefits. The state does not allow its employees to have dual coverage.

Employer contribution

Fees paid by an employer toward the cost of its employees' coverage.

Glossary

Enrollee/subscriber/member

With the state of Indiana, the employee is the enrollee.

Enrollment

Process by which an employee chooses the insurance plans/coverage that best meets their needs. State employees do this online through the PeopleSoft system.

Exclusion

Specific listed services or circumstances that are defined in the insurance contract for which benefits will not be provided.

Explanation of Benefits (EOB)

Statement provided to the member by the health insurance plan explaining the benefit calculations and payment of medical services. It details services rendered and benefits paid or denied for each claim submitted. An EOB lists the charges submitted, amount allowed, amount paid and any balance possibly owed as the patient's responsibility.

Family coverage

An employee and at least one eligible dependent enrolled in an insurance plan.

Family and Medical Leave Act (FMLA)

Federal law that guarantees up to 12 weeks of job-protected leave for employees if they need to take time off due to serious illness or disability, have/adopt a child or to care for another family member.

Family status change/qualifying event

Personal change in status which may allow an employee to modify their benefit elections.

Examples are, but not limited to, the following:

1. Change in legal marital status – marriage, divorce, legal separation, annulment or death of a spouse
2. Change in number of dependents – birth, death, adoption, placement for adoption, award of legal guardianship
3. Change in employment status of the employee's spouse or employee's dependent – switching from part-time to full-time employment status or from full-time to part-time, termination or commencement of employment, a strike or lockout, commencement of or return from an unpaid leave of absence which results in employee/dependent becoming ineligible for coverage
4. Dependent satisfies or ceases to satisfy eligibility requirement – such as attainment of the limiting age. See DEPENDENT.

Qualifying events are defined by the IRS and must be reported to the Benefits Hotline within 30 calendar days of the event occurring.

Flexible Spending Account (FSA)

Account offered to employees which allow a fixed amount of pre-tax money to be set aside for qualified medical expenses. That amount must be determined in advance and employees

pay it back over the course of the 26 pay periods of the calendar year. Any money not spent out of the account by the end of the calendar year is lost to the employee. The maximum annual contribution limit is \$2,700.

Formulary

A list of medications that are approved to be prescribed under a prescription drug plan. The development of formularies is based on evaluations of efficacy, safety and cost-effectiveness.

Front-load (HSA)

Initial contribution the state makes into an employee's HSA. The state front loads approximately 45% of its annual contribution commitment into the employee's HSA at the beginning of each calendar year. The remainder of the contribution is divided among the remaining 26 pay periods. See HEALTH SAVINGS ACCOUNT or further information.

Health Flexible Spending Account

See *Flexible Spending Account*

Health Insurance Portability and Accountability Act (HIPAA) of 1996

Designed to streamline all areas of the health care industry and to provide additional rights and protections to participants in health plans.

Health Savings Account (HSA)

Account created for employees covered under a CDHP to save for medical expenses with pre-tax contributions, made by the state and can be made by the employee. Contributions can also be made by third parties. If an employee chooses to contribute to the HSA, that money is deducted from their pay check on a pre-tax basis. The amount that the employee contributes can be changed at any time throughout the year by contacting the Benefits Hotline. The 2020 maximum contribution limit for a HSA paired with a single coverage CDHP is \$3,550; for family coverage, the limit is \$7,100. This includes contributions from the state, the employee and any third-part contributions.

Employees 55 and older may make an additional \$1,000 catch-up contribution until they enroll in Medicare. The money in the HSA can be used to pay for qualified medical expenses, which include most medical care such as dental, vision and prescription drugs. Any money not spent out of the account by the end of the calendar year rolls over and remains in the account until it is spent. If the money in an HSA is used for anything other than qualified medical expenses, it can become a taxable event. Eligible medical expenses are defined by the IRS and can be found in Publication 929.

Immunizations

Vaccines against certain diseases, which can be administered either orally or by injection (i.e., flu shots).

Glossary

In-network

Healthcare providers who contract with the insurance plan to provide services at a discounted rate.

Limited Purpose Medical Spending Account (Flexible Spending Account)

If someone has an HSA and elects to have a Flexible Spending Account (FSA), the FSA becomes a Limited Purpose Medical Spending Account. Expenses under the Limited Purpose Medical Spending Account are limited to:

- Dental care services/treatments,
- Vision care services/treatments,

Preventive care services - limited to diagnostic procedures and services or treatment taken to prevent the onset of a disease or condition that is immediately possible. This does not include services/treatments to treat an existing condition. A diagnosis or letter of medical necessity may be required to consider claim reimbursement. See also Flexible Spending Account

Mail order pharmacy

Alternative to retail pharmacies, members can order and refill prescriptions via mail, Internet, fax or telephone in 90-day quantities. Prescriptions are mailed directly to the member's home. All state health insurance plans cover mail order pharmacy through CVS Caremark or the pharmacy benefit provider.

Maintenance drug

Medication anticipated to be taken on an ongoing basis for at least several months to treat a chronic condition such as diabetes, high blood pressure, asthma, etc.

Member

Eligible individual enrolled in an insurance plan; member may be the employee or any dependent.

Network

Group of medical professionals contracted to provide services to members of a health insurance plan.

Non-Tobacco Use Incentive

Agreement to which an employee commits and signs (electronically) to not use tobacco for the benefit year and agrees to random tobacco testing. The incentive is only available to employees enrolled in medical coverage.

By selecting the "I accept" button you are agreeing to not use any tobacco products throughout 2020 and understand that you may be subject to cotinine testing and agree to such testing. A positive test result creates a rebuttable presumption of tobacco use and breach of the agreement. If you accept the agreement and later use tobacco or otherwise breach the agreement, your employment will be terminated. The only exception to the job loss penalty is if you revoke the agreement in PeopleSoft prior to using any tobacco product. When revoking the agreement, you agree to repay the State of Indiana for each \$35 bi-weekly premium reduction you received for 2020.

Open Enrollment

Specific time of year when employees can enroll in state-offered benefits.

Out-of-pocket costs

Expenses for medical care that are not reimbursed by insurance. This includes all deductibles and co-insurance paid under the insurance plan. Costs can be covered pre-tax by the funds in a HSA if the health plan is a CDHP or FSA. Otherwise they are paid by the member's personal financial means.

Out-of-pocket maximum

Limit set on each insurance plan that caps the maximum a member has to pay for medical services during a calendar year. This includes all deductibles and co-insurance paid under the insurance plan. These costs can be covered pre-tax by the funds in a HSA if the health plan is a CDHP or FSA. Otherwise they are paid by the member's personal financial means. Premiums do not count toward out-of-pocket maximums. Employees must still pay premiums, even if they meet their out-of-pocket maximum.

Participating provider

Individual physicians, hospitals and professional health care providers who have a contract to provide services to a network's members at a discounted rate and to be paid directly for covered services. See *Network*.

Prior-authorization

Approval required for specifically designated procedures or hospital admissions. When care is received in-network, the primary care physician or specialist is usually responsible for obtaining pre-authorization. For out-of-network services, the member is responsible for obtaining pre-authorization.

Premium

Amount each employee pays for an elected health plan.

Prescription medication

FDA-approved medicine regulated by legislation to require a medical prescription before it can be obtained.

Preventive care/services

Care rendered by a physician to promote health and prevent future health problems for a member who does not exhibit any symptoms. Services are covered 100% by all insurance plans by law (i.e. annual physicals, well baby visits, flu shots, etc.).

Provider

Person, organization or institution licensed to provide health care services.

Self-insured

Practice of an employer that assumes complete responsibility for losses, which might be insured against, such as health care expenses. In effect, self-insured groups have no real insurance against potential losses and instead maintain a fund out of which is paid the contingent liability subject to self-insurance. The state is self-insured.

Glossary

Termination of Coverage Date

The actual date the coverage ceased.

Webinar

Short for web-based seminar; a presentation, lecture, workshop or seminar that is transmitted over the Internet.

Wellness program

Health management program which incorporates the components of disease prevention, medical self-care and health promotion.