Benefits 101: Glossary of Terms

At times conversations about benefits can sound like another language, and we want you to be fluent.

As you think about the total cost of coverage, consider the amount you pay out of your paycheck each week to have access to care and the amounts you pay when you receive care, such as doctor's visits, services and supplies:

Copay
A fixed amount you pay for a covered service under a plan, usually when you receive the service. The amount can vary by the type of service. For example, with the Core Plan, you pay a $20 copay for outpatient lab work.

Coinsurance
Your share of the cost of a covered service, calculated as a percentage. You pay coinsurance plus any deductibles you owe. The health plan pays the rest. For example, once you reach your deductible in the new Consumer Plan with HSA, you would pay 20% of the cost for a specialist office visit (i.e., 20% coinsurance).

Deductible
The amount you pay for covered health care services (other than preventive services) before the plan begins to pay benefits. For example, employee only coverage through the Core Plus Plan has a $1,250 in-network deductible. So, you would pay $1,250 out-of-pocket for any in-network services or supplies you receive. Once you satisfy the deductible, the plan begins paying a percentage of the cost, and your cost is calculated as coinsurance.

Out-of-Pocket (OOP) Maximum
The maximum amount you must pay in a calendar year for certain eligible expenses. The OOP maximum protects you from unbearable financial burdens by capping the total amount you will have to spend on your health care each year, even if you use more.

Network (e.g., in-network vs out-of-network)
The Consumer Plan with HSA and Core Plan include in- and out-of-network coverage. Cigna has contracted with a list of providers (doctors, hospitals, labs, etc.) that have agreed to charge discounted amounts for services – this is the network. Using in-network providers will generally cost you less out-of-pocket. In-network and out-of-network deductibles and out-of-pocket maximums are tracked separately. Search for in-network providers on mycigna.com.

Weekly Rates
This is the amount you pay to have coverage, which are deducted from your paycheck before taxes. The amount you pay is based on the plan you choose and your coverage level (employee only, employee & child(ren), employee & spouse, or employee & family)

Prescription drug coverage comes with a few terms of its own:

Generic Drug
An alternative form of a brand-name drug that has been shown to be equally effective while also being less costly. For example, Sertraline is the generic drug version of the brand-name drug Zoloft.

Formulary and Non-Formulary
The list of preferred drugs covered by a plan. Non-formulary drugs are drugs not included on the plan's formulary and you will typically pay more for these medications.

Specialty
These drugs typically require special handling, administration or monitoring and are prescribed for those with complex or chronic conditions. Express Scripts, our prescription drug manager, partners with Accredo to fill specialty drugs.