

Freelancers Union



Freelancers Healthcare Glossary

As you read about your **insurance options**, you may encounter many unfamiliar terms. The glossary below covers some of the most commonly used ones. For definitions of additional terms, visit [healthcare.gov](https://www.healthcare.gov).

Catastrophic Plan

Adults under the age of thirty or eligible for an economic “hardship exemption” can buy **Catastrophic Plans**. These cover all the ACA essential benefits and have lower premiums than many other plans, but also have high deductibles and are not eligible for subsidies.

Co-Insurance

A percentage of a medical expense that you are responsible for paying is called “**co-insurance.**” It is still required after you have paid your deductible. Once you have reached your out-of-pocket maximum, you are no longer charged co-insurance. Some plans have copays (fixed prices rather than percentages) and others co-insurance for similar services, something that may result in differing out-of-pocket expenses.

Consolidated Omnibus Budget Reconciliation Act Insurance (COBRA)

If you recently left full-time employment for freelancing, you may be eligible for temporary ongoing coverage on your previous employer’s plan under **COBRA**. As you will be responsible for the full cost of the insurance (both the employer and employee portions), it may be more expensive than plans available on exchanges, but will maintain continuity of coverage while you investigate other insurance options.

Co-Payment (“Copay”)

A **co-payment** is a fixed dollar amount that you pay out-of-pocket for a given service such as a diagnostic test or physician visit. The amount of your copays will vary with your insurance plan, with higher-**premium** plans usually having lower copays. You are responsible for copays even after you have completed your **deductible**, but after you have spent your annual **out-of-pocket maximum**, you will no longer be charged copays. Some plans have copays and others co-insurance for similar services, something that may result in differing out-of-pocket expenses.

Deductible

The amount you are responsible for paying towards medical expenses before your insurance benefits pay the rest is called a deductible. This resets every year on January 1st. Copays and co-insurance count towards your deductible, but you are still responsible for them after you have paid your deductible.

Exclusive Provider Organization (EPO)

An EPO is a form of managed care in which you have a limited network of doctors and hospitals to choose from. EPO plans do not cover care outside your network except in emergencies. EPOs generally have lower premiums than PPOs and do not require referrals from a PCP to see in-network specialists. EPOs may have a limited number of providers, and their provider lists may change at any time.

Essential Health Benefit (EHB)

All ACA-compliant insurance plans are required to cover ten essential health benefits:

- Care at a doctor's office
- Prescription drugs
- Emergency services
- Rehab and skill development services and devices
- Hospital care
- Lab services
- Pregnant mother and baby care
- Preventive & wellness services and long-lasting disease
- Mental health and addiction treatment
- Dental and vision care for children

Formulary

The list of drugs covered by a plan's pharmacy benefit is called a formulary. Whether a given drug is covered and the price tier to which it is assigned will vary from plan to plan. This list is usually provided on the insurance carrier's website and is subject to change at any time. If you take certain medications regularly, it is worth calling insurance companies before choosing a plan to ask for pricing information.

Grandfathered Health Plan

Health insurance plans you initially enrolled in before 23 March 2010, when President Obama signed the Affordable Care Act, are considered "grandfathered" and may not include the rights and protections, including the essential health benefits, defined under the ACA. You can change from a grandfathered plan to an ACA one during the Open Enrollment period, and if you have a grandfathered plan you may, under certain conditions, qualify for a special enrollment period.

Health Insurance Marketplace or Exchange

ACA health insurance may be purchased through [federal or state marketplaces or exchanges](#). Our [Freelancers Union Health Insurance Survey](#) can also help you determine if the marketplace is the right place to shop benefits plans.

Health Maintenance Organization (HMO)

An HMO plan provides benefits for services rendered by in-network doctors, hospitals, and other healthcare providers. Your designated Primary Care Provider (PCP) is responsible for all of your basic healthcare needs and specialist referrals. Non-emergency care without a referral, or out-of-network services, are not covered by HMOs and will not count towards your deductible or out-of-pocket maximum.

Open Enrollment

During the Open Enrollment Period (Generally, 1 November 2024 to 15 December 2024 for coverage beginning on 1 January 2025), you can enroll in a new health plan or switch plans. If you do not enroll during this period, unless you qualify for a special enrollment period, you will need to wait until the next Open Enrollment period to obtain or change ACA insurance.

Out-of-Pocket Maximum

The maximum amount you will be responsible for paying toward medical expenses covered by your plan. Your out-of-pocket maximum includes all copays, charges applied toward the deductible, and coinsurance you have paid over the year. Once you've reached your out-of-pocket maximum for the year, your insurance will pay 100 percent of the remaining covered expenses, although you may be responsible for services that are not covered by your plan.

Pharmacy Tiers

Under the Affordable Care Act, health plans include coverage for prescription drugs. However, not all plans cover all medications, and plans require differing amounts of copays and co-insurance for different medications. Most plans assign drugs to “**tiers**,” with higher tiers being more expensive than lower ones. If you take certain medications regularly, compare pricing across plans to avoid unanticipated expenses.

Point-of-Service Plan (POS)

With a **point-of-service plan**, participants designate a primary care provider who is part of the plan’s network. Although ordinarily out-of-network care costs significantly more than in-network-care, if a PCP refers you out-of-network, you may only be charged the in-network copay and co-insurance rates.

Pre-Existing Condition

A **pre-existing condition** is one that you had before the start of insurance coverage. One of the more important provisions of the Affordable Care Act was insurers cannot refuse you coverage or charge you higher premiums for pre-existing conditions for plans sold on ACA marketplaces. Grandfathered and non-compliant plans may limit coverage of pre-existing conditions.

Preferred Provider Organization (PPO)

A **PPO plan** has a designated group of in-network providers but unlike HMOs and EPOs will cover out-of-network care, though usually with higher copays and co-insurance. Despite the expense of out-of-network care, this flexibility is important for people who might need to see particular specialists or who have complex conditions requiring expert care.

Premium

Your premium is the monthly fee you pay for insurance coverage. It does not include your deductible, copays, or co-insurance.

Preventive Care

Many plans offered through ACA exchanges cover the full cost of certain types of preventive care with no copays or co-insurance. These include a wide range of diagnostic tests and vaccinations. A list can be found [here](#).

Primary Care Provider (PCP)

This can be a doctor, osteopath, or nurse practitioner who not only provides care but also coordinates your access to specialists and other health care.

Prior Authorization

Many plans cover certain services only if the insurance company has authorized those services in advance. Your PCP works with the insurance company to obtain authorizations for prescriptions, specialist visits, and diagnostic tests.

Special Enrollment Period (SEP)

If you have not bought insurance during the Open Enrollment period, you may have the **option to buy or change plans** if you have a qualifying event such as changing jobs, moving, marriage, divorce, or bearing or adopting a child.