

## LYCOMING COLLEGE

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## INSURANCE GLOSSARY OF TERMS

### HEALTH INSURANCE:

*a type of insurance coverage that pays for medical & surgical expenses incurred by the insured*

### PREMIUM:

*the amount you pay to purchase your coverage, sometimes the cost is shared by the employer*

### DEDUCTIBLE:

*the amount that you pay for health care services before insurance begins to pay (out-of-pocket expense)*

### CO-PAY:

*a small fixed amount paid for services to providers by the insurance company*

### CO-INSURANCE:

*a percentage of the fee that the policy holder must pay after the deductible has been met (example: 30% coinsurance = insurance company pays 70% of the bill & the policy holder is responsible for the other 30%)*

### CLAIM:

*a bill for services from a hospital, doctor's office, laboratory, etc. sent to the insurance company requesting payment to the provider*

### EOB (Explanation of Benefits):

*this is not a bill  
the EOB explains the provider's fee for a service, how much the insurance company will pay & the potential remainder the patient may be responsible for paying*

### OUT-OF-POCKET MAXIMUM:

*the most the policy holder will have to pay each year for covered services before insurance pays 100% of covered benefits*

### PRE-AUTHORIZATION:

*the insurance company must give permission for certain tests/procedures in order for it to be covered by the insurance company*

## STUDENT HEALTH INSURANCE BASICS

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*When planning for college few people plan to be sick. Unfortunately, injuries & illness do occur and although generally a healthy group, most college students at some point will need a strep or mono test, x-ray for a twisted ankle, etc. Planning ahead can make the process of getting the right care a little easier.*

## Types of insurance plans:

- **HMO- Health Maintenance Organization**

Delivers services via a network of providers

- less freedom to choose providers
- usually more preventative care benefits
- services obtained outside the network not covered

• patients choose a primary care provider (PCP) to coordinate care

- typically lower or no deductibles
- pay a copay for services

- **PPO- Preferred Provider Organization**

Delivers services via a network but also allows patients to go out of the network at a higher cost

- more freedom to choose providers
- usually higher out of pocket expenses compared to HMO
- use of in-network/ out-of-network options

- **POS- Point of Service**

Blend of PPO/HMO

- more freedom to choose provider
- out of pocket expenses controlled by the patient
- PCC coordinates in-network care

- **High Deductible Health Plan with Health Savings Account (HSA)**

- higher out of pocket costs but when the max is reached the plan pays 100%
- HSA- money put into a separate account before taxes that is used only for health care
- preventative care is free even if the deductible hasn't been met

- **Indemnity Plan/ Fee for services or reimbursement plan**

Patients may see any doctor at any time.

Patients pay the provider directly then submit a claim to the insurance company who will reimburse the patient part or all of the cost

- usually does not cover preventative care
- premiums are usually higher

## PARENT/STUDENT CHECKLIST:

✓ensure your son/daughter has a current copy of his/her insurance card

✓ensure both you and your student know the type of insurance you have and how it works:

- what kind of plan do you have? (HMO, PPO, POS)
- do you have a deductible? how much?
- do you have a copay? how much for DR/ER visit?
- does your plan have a co-insurance? how much?
- does your plan utilize networks?

Will your student be in-network or out-of-network while away at school? Some plans offer an out-of-network rider or exemption for students out-of-network while away at school but this must be arranged ahead of time with your insurance company, so call early!

✓establish how your son/daughter can find answers about his/her insurance such as networks and services covered (call home to parents, insurance company phone number, insurance company website)

✓create a budget- set aside funds your son/daughter know are available for health care needs such as copays and medications, as well as money needed toward any deductible you may have.

✓establish communication guidelines- do you want called before your son/daughter heads to the ER or has a strep test done to ensure it will be covered by your insurance or have you set aside sufficient funds if you are left with any outstanding bills?

*“The time to repair the roof is when the sun is shining.”*

*-John F. Kennedy*