# GLOSSARY

## OF MEDICARE AND OTHER HEALTH INSURANCE TERMS

**Annual Election Period (AEP)**
The time period each year when anyone with Medicare can enroll in Medicare prescription drug plans (Part D) and Medicare Advantage (Part C) plans. The Annual Election Period (AEP) is October 15 through December 7 every year, with coverage effective on January 1 of the following year.

**Benefit Period**
This is the way that Medicare measures your use of hospital and skilled nursing facilities (under Part A). A benefit period starts when you enter the hospital for an overnight stay and ends when you have been out of the hospital (or skilled nursing facility) for 60 days in a row. You can have multiple benefit periods in one year, and the Medicare Part A deductible applies to each benefit period (not annually).

**Brand-Name Drug**
A prescription medication that has been patented and is produced only by one manufacturer. It is trademarked and sold under a brand name, and may or may not have a generic equivalent.

**Coinsurance**
This is a kind of cost sharing where you pay a percentage of the cost (rather than a fixed amount). For example, if your coinsurance is 20% and Medicare approves a $100 doctor visit, Medicare will pay $80 and you pay $20. With some plans, you do not pay coinsurance until you have first paid a deductible.

**Copayment (Copay)**
This is the other kind of cost sharing, where you pay a flat amount for a particular service. You usually have copays in Medicare Advantage and Prescription Drug plans (such as $10 to see the doctor and $7 for generic prescriptions).

**Deductible**
A set amount you may be required to pay before you receive coverage for your plan benefits. Generally, deductibles apply to Medicare Parts A, B and D. Deductibles may also apply to Medicare Supplement (Medigap) plans and certain Medicare Advantage (Part C) plans.

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### Extra Help

A Medicare program to help people with limited income and resources pay Medicare prescription drug program costs, such as premiums, deductibles and coinsurance. To qualify, you must make less than $18,090 a year (or $24,360 for married couples). Even if your annual income is higher, you still may be able to get some extra help. Your resources must also be limited to $13,820 (or $27,600 for married couples). Resources include bank accounts, stocks and bonds, but not your house or car.

### Formulary

A list of the prescription drugs that are covered by a specific Medicare Part D plan (a stand-alone plan or Medicare Advantage plan that includes drug coverage). In some cases, doctors must order or use only drugs listed on the health plan's formulary.

### Generic Drug

Prescription drugs that have the same active ingredient formula as a brand-name drug. Generic drugs usually cost less than brand-name drugs and are rated by the Food and Drug Administration (FDA) to be as safe and effective as their brand-name equivalent.

### Hospital Insurance (Medicare Part A)

This is the part of Original Medicare that pays for "room and board" if you're a patient in a hospital or skilled nursing facility. It also pays benefits for hospice care.

### Initial Enrollment Period (IEP)

When you first become eligible to enroll in Medicare or a Medicare plan. For most, it's the seven-month period that begins three months before the month you turn 65 and ends three months after the month you turn 65.

### Late-Enrollment Penalty

An amount added to your monthly premium for Part B or a Medicare drug plan (Part D) if you don't join when you're first eligible. You pay this higher amount as long as you have Medicare. There are some exceptions to this penalty.

### Maximum Out-of-Pocket Limit

A limit that Medicare Advantage plans set on the amount of money you will have to spend out of your own pocket in a plan year. In Medicare Part D, this is the maximum amount of money you will have to spend out of your own pocket before catastrophic coverage begins for the remainder of the year.

### Medical Insurance (Medicare Part B)

This is the part of Original Medicare that helps pay for doctors' services, outpatient care and other services that Part A doesn't cover, including physical and occupational therapy. Part B generally pays 80% of the approved cost for Medicare-covered services (you pay 20%). Part B coverage is optional and has a monthly premium. You must have Part B if you want to enroll in a Medicare Advantage or Medicare Supplement plan.

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### Medicare Advantage Disenrollment Period

If you enroll in a Medicare Advantage plan during the Annual Enrollment Period (AEP) from October 15 through December 7, then you have from January 1 to February 14 of the following year to disenroll. If you disenroll, you will return to Original Medicare automatically. If prescription drug coverage was included in your Medicare Advantage plan, you can enroll in a Medicare Part D prescription drug plan during this time.

### Medicare Advantage Plan (Medicare Part C)

A type of plan offered by a private company. In Medicare Advantage plans, a single plan provides you with both hospital and doctors' care. Medicare Advantage plans can also include prescription drug coverage. You must have Part A and Part B to enroll in a Medicare Advantage plan and continue to pay Part B premiums, in addition to any plan premium.

### Medicare Supplement (or Medigap)

These are health insurance policies that typically have standardized benefits, are sold by private insurance companies and allow you to use any doctors and hospitals that accept Medicare. These plans help fill Medicare's gaps by paying some or all of the deductibles, coinsurance and copayments (your share of costs). You must have Part A and Part B to enroll in a Medicare Supplement plan and continue to pay Part B premiums, in addition to the plan premium.

### Monthly Plan Premium

The payment you make for a health plan like Johns Hopkins Advantage MD (PPO). Members pay the monthly plan premium in addition to Medicare Part A (if applicable) and Part B premiums.

### Network

A group of doctors, hospitals, pharmacies and other health care providers contracted with a health plan to take care of its members. In an HMO, you must use network providers. With PPO plans, you pay less when you use the plan's network providers — or you can use providers outside the network for a higher copay or coinsurance.

### Original Medicare

Original Medicare is fee-for-service coverage under which the government pays your health care providers directly for your Part A and/or Part B benefits.

### Out-of-Pocket Maximum

The total amount a member pays for coinsurance and copays in a calendar year before the plan picks up the full cost of covered expenses.

### Pre-Existing Condition

When applying for an insurance plan, a name for an illness or medical condition you currently have.

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**Preferred Provider Organization (PPO)**
A type of Medicare Advantage plan in which you use doctors, hospitals and other health care professionals who have contracted with a health plan to provide care to its members. You can also use providers outside the preferred provider network for an additional cost. Unlike an HMO, you don't need to get referrals to see specialists.

**Prescription Drug Plan (Medicare Part D)**
A Medicare Part D prescription drug plan may be a stand-alone drug plan you can enroll in if you have Original Medicare, a Medicare Supplement (Medigap) plan or certain kinds of Medicare Advantage plans. It can also be a Medicare Advantage plan that offers Part D prescription drug coverage in addition to health benefits.

**Preventive Care**
Health care that emphasizes prevention, early detection and early treatment of conditions. Examples of preventive care are flu shots, screening mammograms and diabetes screenings.

**Primary Care Physician (PCP)**
This is a doctor who provides basic care. Your primary care physician is the doctor you see for most health problems.

**Referral**
This is approval from your primary care physician to see a specialist or receive certain services. In some Medicare Advantage plans (like an HMO), you need to get a referral to see someone other than your primary care physician.

**Service Area**
A service area is typically a county, state or region in which a Medicare Advantage plan offers service. You must live in the plan's service area to join.

**Skilled Nursing Care**
Services performed or supervised by licensed nurses in your home or in a nursing home. **Note:** skilled nursing care is not the same as "skilled care services," which are services performed by therapists or technicians (rather than licensed nurses) in your home or in a nursing home.

**Tiered Formulary**
This is a drug plan formulary that divides drugs into groups. Each group, or tier, has a different level of cost sharing. For example, a generic version of a drug may have a lower copay than a brand-name version. The details of the cost sharing vary from plan to plan.

* 8 a.m. to 8 p.m., 7 days a week. From April 1 – September 30, you will need to leave a message on weekends and holidays.
Johns Hopkins Advantage MD is a Medicare Advantage Plan with a Medicare contract offering HMO and PPO products. Enrollment in Johns Hopkins Advantage MD HMO or PPO depends on contract renewal.
Advantage MD products are offered by Hopkins Health Advantage, Inc., a Maryland health insurer.



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