

## Terms to Know

**Annual Benefit Maximum** For dental plans only, the total amount the plan will pay in any given plan year.

**Annual Deductible** Amount you must pay before the plan begins paying benefits.

**Brand-Name Drugs** A drug that is protected by a patent held by its manufacturer. The patent gives the drug's developer exclusive rights to market the drug for 20 years after its discovery. After that, other companies can start making generic versions of the drug.

**Coinsurance** Percentage amount you and the plan pay when you obtain medical or dental services. In general, you first must meet the plan's annual deductible before coinsurance payments begin.

**Copayment or Copay** Flat dollar amount you pay when receiving certain services.

**Dispense as Written (DAW)** Notation your doctor must write on your prescription for a preferred drug if a generic drug is available. Otherwise, you will be charged for the difference between the cost of the generic and the preferred drug.

**Explanation of Benefits (EOB)** A statement provided by the plan administrator that summarizes your claim(s) and the benefit amount paid by the plan. The EOB also details how much of your provider's charges are your responsibility. It's a good idea to compare your EOB to the bill from your provider, and never pay more than the amount shown on your EOB.

**Family Deductible** Under the CDHP plans, employees with family coverage must meet the family deductible before the plan begins paying coinsurance. However, under the Base option, the plan pays coinsurance when any individual meets the individual deductible or some combination of family members meets the family deductible.

**Formulary Drugs** A listing of generic, preferred and non-preferred brand-name drugs, as approved and updated by a committee of doctors and pharmacists for safety and effectiveness.

**General Purpose Health Care Flexible Spending Account (FSA)** An account that lets you set aside pretax money to reimburse yourself for your eligible medical, dental and vision expenses, as defined by the Internal Revenue Service. For details, visit [www.irs.gov](http://www.irs.gov) and type "Publication 502" in the search box.

**Generic Drugs** Prescription drugs with the same active ingredients, strength and dosage as the brand-name counterpart. You can lower your costs by choosing generic drugs.

**Limited Purpose Health Care FSA** Similar to a General Purpose FSA, it's an account that lets you set aside pretax money to reimburse yourself for eligible expenses; however, you're limited to dental and vision expenses only.

When you enroll in the CDHP with HSA, your FSA enrollment defaults to a Limited Purpose FSA until you meet the IRS minimum deductible for a high-deductible health plan. For 2017, the minimum is \$1,300 if you elect employee-only coverage and \$2,600 if you elect family coverage.

**Negotiated Fees** The amount that in-network providers have agreed to charge plan participants for a particular service. When you use providers in your plan's network, you pay only your percentage share (coinsurance) of the negotiated fee. A network provider cannot charge more than the negotiated fee.

**Non-Preferred Drugs** Drugs not covered by the Plan.

**Out-of-Pocket Maximum** The maximum amount in deductibles, copays and coinsurance that you could pay in a given year before the plan pays the remaining eligible expenses.

**Usual, Customary and Reasonable (UCR)** An insurance rule that applies when you obtain care from out-of-network providers. Under UCR, you pay a percentage share of the bill (coinsurance), plus amounts the provider may charge above the UCR amount.