

A GLOSSARY OF TERMS

A glossary of key terms defines words associated with Medicare in an easy way so Medicare recipients can familiarize themselves or reference as they come across them through their healthcare journey using Medicare.

ABN (Advanced Beneficiary Notice of Noncoverage) | Is issued by providers (including independent laboratories, home health agencies, and hospices), physicians, practitioners, and suppliers to Original Medicare beneficiaries in situations where Medicare payment is expected to be denied.

BFCC-QIO (Beneficiary and Family Centered Care-Quality Improvement Organizations) | Help if you have a concern about the quality of care you receive from a Medicare provider.

CMS (Centers for Medicare and Medicaid Services) | Is the federal agency within the U.S. Department of Health and Human Services that administers the Medicare program.

COBRA | Temporary coverage available in certain situations if you lose job-based coverage.

Coinsurance | A portion of the medical cost you pay after your deductible has been met.

Copayment | A fixed amount you pay for a covered healthcare service after you've paid your deductible.

Custodial Care | Non-medical care that helps individuals with their activities of daily living (ADLs) such as bathing, dressing, and eating.

Creditable Coverage | Drug coverage that is expected to pay on average as much as the standard Medicare prescription drug coverage.

Deductible | The amount you pay for covered healthcare services before your insurance plan starts to pay.

Donut Hole | Most Medicare drug plans have a coverage gap or temporary limit on what the drug plan will cover for drugs.

Dual Eligible | Individuals who may be enrolled in both Medicare and Medicaid.

Extra Help | Sometimes called Part D Low Income Subsidy, a program sponsored by Social Security that lowers your Part D drug coverage costs. Depending on your situation, Extra Help will cover a portion of your drug costs or all your drug costs.

Formulary | A list of approved drugs covered by a prescription drug program.

HMO (Health Maintenance Organization) | A health insurance plan that provides health services through a network of doctors.

Inflation Reduction Act of 2022 | A law that improves Medicare by expanding available benefits, reducing medication costs, and keeping prescription drug premiums stable.

IRMAA (Income-Related Monthly Adjustment Amount) | An amount you may pay in addition to your Part B or Part D premium if your income is above a certain level.

Medicaid | A federal and state program that helps with healthcare costs for some people with limited income and resources.

Medicare | A federal health insurance for people 65 or older, some younger people with disabilities, and people with end-stage renal disease.

Medicare Advantage | Also called Part C. Alternative to Original Medicare. The Advantage Plans include Part A, Part B, and usually Part D in one plan and are offered by Medicare-approved private insurance companies. These plans must still follow Medicare's coverage rules.

MBO (Medicare Beneficiary Ombudsman) | Works on behalf of beneficiaries to help with Medicare-related complaints, grievances, appeals, and information requests.

Medicare Part A | Medicare Part A is hospital insurance, which is included in Original Medicare. It covers hospital stays, skilled nursing facility care, hospice, and some home healthcare.

Medicare Part B | Medicare Part B is another part of Original Medicare that covers outpatient care, certain doctor services and tests, home health services, durable medical equipment and supplies, preventive services, and certain outpatient prescription drugs under limited conditions.

Medicare Part C | Also called Medicare Advantage. Alternative to Original Medicare. The Advantage Plans include Part A, Part B, and usually Part D in one plan and are offered by Medicare-approved private insurance companies. These plans must still follow Medicare's coverage rules.

Medicare Part D | Provides coverage for prescription drugs. There are specific Medicare-approved plans that you can choose to enroll in for your prescription coverage.

Medigap Plan | Also called Medicare Supplemental Insurance. These plans help cover the remaining healthcare costs you have after Original Medicare pays its share. Your costs will include copayments, coinsurance, and deductibles. You must have Medicare Part A and B to enroll in a Medigap plan.

Medicare Savings Programs | Programs that may help pay Medicare premiums, deductibles, coinsurance, and copays. Eligibility is based on income and certain assets.

Network | Medical providers that have contracted with your plan to provide your care at a reduced negotiated rate. This group of providers is referred to as your network or your insurer's network.

Open Enrollment | A defined period each year when individuals may select their health insurance plan for the following plan year.

Original Medicare | Medicare Parts A and B.

PACE (Program of All-Inclusive Care for the Elderly) | A joint Medicare and Medicaid program intended to help people meet their healthcare needs in the community instead of being placed in a nursing home or other care facility.

PFFS (Private Fee-For-Service) | A type of Medicare Advantage Plan offered by a private insurance company that determines how much it will pay doctors, other healthcare providers, and hospitals, and how much you must pay when you get care.

PPO (Preferred Provider Organization) | A health insurance plan in which you can go out of network for care, but in-network providers cost less.

Premium | A fee you pay each month for health insurance coverage.

QDWI (Qualified Disabled and Working Individuals) | This savings program can help pay for Part A premiums for a working disabled person under 65 or if a person loses SSDI and premium-free Part A due to returning to work.

QI (Qualified Individual Program) | Helps pay for Part B premiums.

QMB (Qualified Medicare Beneficiary Program) | This savings program helps pay for Part A premiums, Part B premiums, deductibles, coinsurance, and copayments.

SEP (Special Enrollment Period) | A time outside annual open enrollment when you can enroll in a private health insurance plan if you qualify.

SHIP (State Health Insurance Assistance Program) | Provides free one-on-one assistance for Medicare-eligible persons and/or beneficiaries, their families, and caregivers.

SLMB (Specified Low-Income Medicare Beneficiary Program) | Savings program that can help pay for Part B premiums and may help you get reimbursed for Part B premiums paid during the previous calendar year.

SNP (Special Needs Plan) | Medicare Advantage Plans that limit membership to people with specific diseases/characteristics.

Tier | Medications on a formulary are grouped into tiers, and the tier your medication is on determines your portion of the drug cost.

TFL (TRICARE For Life) | A program for Medicare-eligible military retirees and their dependents that acts as a Medicare supplement.