

HSA... HDHP... Huh?! Decoding Health Insurance Acronyms

See for Yourself | June 15, 2014

Don't worry if you feel like you need a degree in cryptography to make sense of all the health insurance acronyms out there. We're here to help you decode some of the more common ones. We've even called special attention to those you might encounter when using funds in your health savings account (HSA) or flexible spending account (FSA) to pay for LASIK.

Premium LASIK Providers Eliminate the Issue

Premium LASIK providers can make this alphabet soup even more palatable by eliminating the need for you to handle insurance details. After swiping your health insurance debit card, premium LASIK providers take care of all insurance-related logistics, so there is no need for you to submit a claim to your provider.

ACA (Affordable Care Act): Also called the Patient Protection and Affordable Care Act, this law gives patients the "stability and flexibility they need to make informed choices about their health." Even with changes made by the ACA, LASIK is considered an eligible medical expense, meaning you can pay for it with money from your FSA or HSA.

COI (Certificate of Insurance): A document containing the details of an insurance policy, including the name of the insured, policy number and coverage limits.

DOS (Date of Service): The date a patient receives a health care service.

EHR (Electronic Health Record): A digital version of the patient's paper chart that includes comprehensive medical information across a number of providers.

EMR (Electronic Medical Record): A digital version of the patient's paper chart that includes specific medical information from just one provider.

EOB (Explanation of Benefits): A document from the insurance company that lists the patient's claims, how much the company paid for each claim and the amount the patient may be responsible for paying for each claim. Because LASIK is an elective procedure and not covered by most insurance policies, you will likely not receive an EOB for anything related to your laser vision correction. However, some insurance plans identify LASIK practices as preferred providers, making members eligible for discounts on LASIK.

FSA (Flexible Spending Arrangement/Account): A type of savings account that allows the patient to set aside pretax dollars for qualified medical expenses. The patient's employer will most likely not contribute to the account, and funds in the account expire at the end of the benefit year. If you are interested in learning more about FSAs, this article discusses them in more detail. Ask your employer if you can use FSA funds to pay for LASIK. However, you should make sure to schedule and undergo the procedure before the funds expire.

HCR (Health Care Reform): Another name for the ACA, HCR refers to the final, amended version of the law.

HDHP (High Deductible Health Plan): A health insurance plan that has higher deductibles and lower premiums than traditional plans. An HDHP can be combined with an HSA.

HIPAA (Health Insurance Portability and Accountability Act): A law passed in 1996 that prevents discrimination based on pre-existing conditions and protects patients' privacy. As with all other medical providers, your LASIK doctor will ask you to sign a form confirming that you are aware of HIPAA regulations.

HSA (Health Savings Account): Usually associated with an HDHP, this is a type of savings account that allows the patient to set aside pretax dollars for qualified medical expenses. The patient's employer can contribute to the account, and funds roll over from year to year. If you are interested in learning more about HSAs, this article discusses them in more detail. Ask your employer if you can use HSA funds to pay for LASIK. HSAs provide more freedom in scheduling the procedure because the funds don't expire at the end of the year.

HMO (Health Maintenance Organization): An insurance plan that usually limits care options to a network of doctors who have signed up to work with the plan.

MOOP (Maximum Out of Pocket): The most a patient must pay for health care expenses during a given year. Once the patient has reached the maximum, insurance covers all expenses (up to a set amount).

OEP (Open Enrollment Period): A window of time (usually occurring once a year) when the patient chooses his health insurance plan. Part of choosing a health insurance plan includes selecting a HSA or FSA and electing how much to contribute to the account. Be sure to investigate how much LASIK will cost before you decide on a contribution amount.

OOP (Out of Pocket): Covered medical expenses that a patient pays for with her own money, including copayments and deductibles.

PCP (Primary Care Provider): The physician that a patient visits for the majority of his health care needs — usually part of the insurance plan's network of doctors.

POS (Point of Service): A health insurance plan where the patient pays less if she uses health care providers that are part of the insurance company's approved network. A visit to a specialist requires a referral from the PCP.

PPO (Preferred Provider Organization): A plan that contracts with specific doctors and hospitals. Patients pay less if they choose a provider from the network.

While these definitions are generally accepted across the U.S., each health insurance plan is different. If you have questions about your specific plan, consult with a representative from your employer's human resources department or your insurance company.