



Glossary

Advance Beneficiary Notice (ABN): Advance Beneficiary Notice – ABN is used with the Traditional Medicare Plan. It is a notice that a doctor or supplier may give to the beneficiary stating that Medicare probably will not pay for a service/supply. If you still want the service/supply you will be asked to sign the ABN agreeing to pay for the service/supply yourself.

Appeal: A special kind of complaint you make if you disagree with a decision for payment or services.

Assignment: In the Traditional Medicare Plan, assignment is an agreement between Medicare and doctors, other health care providers, and suppliers of health care equipment and supplies, to accept the Medicare-approved amount as payment in full for Part B services and supplies.

Benefit Period: The way that Medicare measures the use of hospital and skilled nursing facility services. The benefit period begins the first day you receive in-patient hospital care and ends when you have been out of the hospital or skilled nursing facility for 60 consecutive days.

Catastrophic Coverage: Medicare covers almost all your approved drug costs after you've spent \$3,850 out of pocket in a year.

Coinsurance: The percent of the Medicare-approved amount that you are responsible for after you pay the deductible for Part A and/or Part B.

Copayment: Set amounts for some inpatient and outpatient services for which you are responsible.

Credible Coverage: Drug coverage offered that is at least as good as standard Medicare Part D coverage.

Crossover: Once Medicare processes a claim, it is forwarded to most supplemental insurance companies, such as Blue Cross Blue Shield, through an automatic electronic system.

Custodial Care: Non-Skilled personal care of daily living like bathing, dressing and eating.

Date of Service: Date that services were provided.

Deductible: The set amount you must pay for health care before Medicare begins to pay. In 2007, the Part A deductible is \$992. The Part B deductible is \$131.

Formulary: The drugs that the Medicare Part D plan covers.

Home Health Care: Skilled nursing care and certain other health care you receive in your home for the treatment of an illness or injury. Medicare pays 100% of the approved charges for medically necessary services; 80% for durable medical equipment.

Hospice Care: A special way of caring for people who are terminally ill which includes physical care and counseling. Medicare pays all but limited costs for outpatient drugs and inpatient respite care, providing the Doctor certifies the need for hospice care.

Lifetime Reserve Days: An extra 60 days of inpatient hospital coverage when you are in the hospital for more than 90 days. These 60 reserve days can be used only once.

Medically Necessary: Services or supplies that are proper for the diagnosis or treatment of your medical condition, meet the standards of good medical practice and are not mainly for convenience.

Limiting Charge (Excess Charge): The highest amount of money you can be charged for a covered service by doctors and other health care providers who do not accept assignment. The limit is 15% over Medicare's approved amount.

Medicare Advantage: Introduced by the federal government as part of the Balanced Budget Act of 1997, Medicare Advantage was intended to help the government save money in the Medicare program, as well as offer choices for Medicare beneficiaries.

Medicare Approved Charges: The fee Medicare sets as reasonable for a covered medical service.

Medicare Supplement - Medigap: A Medicare supplement insurance policy sold by private-insurance companies such as Blue Cross and Blue Shield to fill "gaps" in traditional Medicare.

Preventive Services: Health care to keep you healthy or prevent illness.

Standardization: A law passed in 1990 stating all Medicare Supplement plans offered after January 1, 1992 must be identical to those offered by other Medigap insurers.