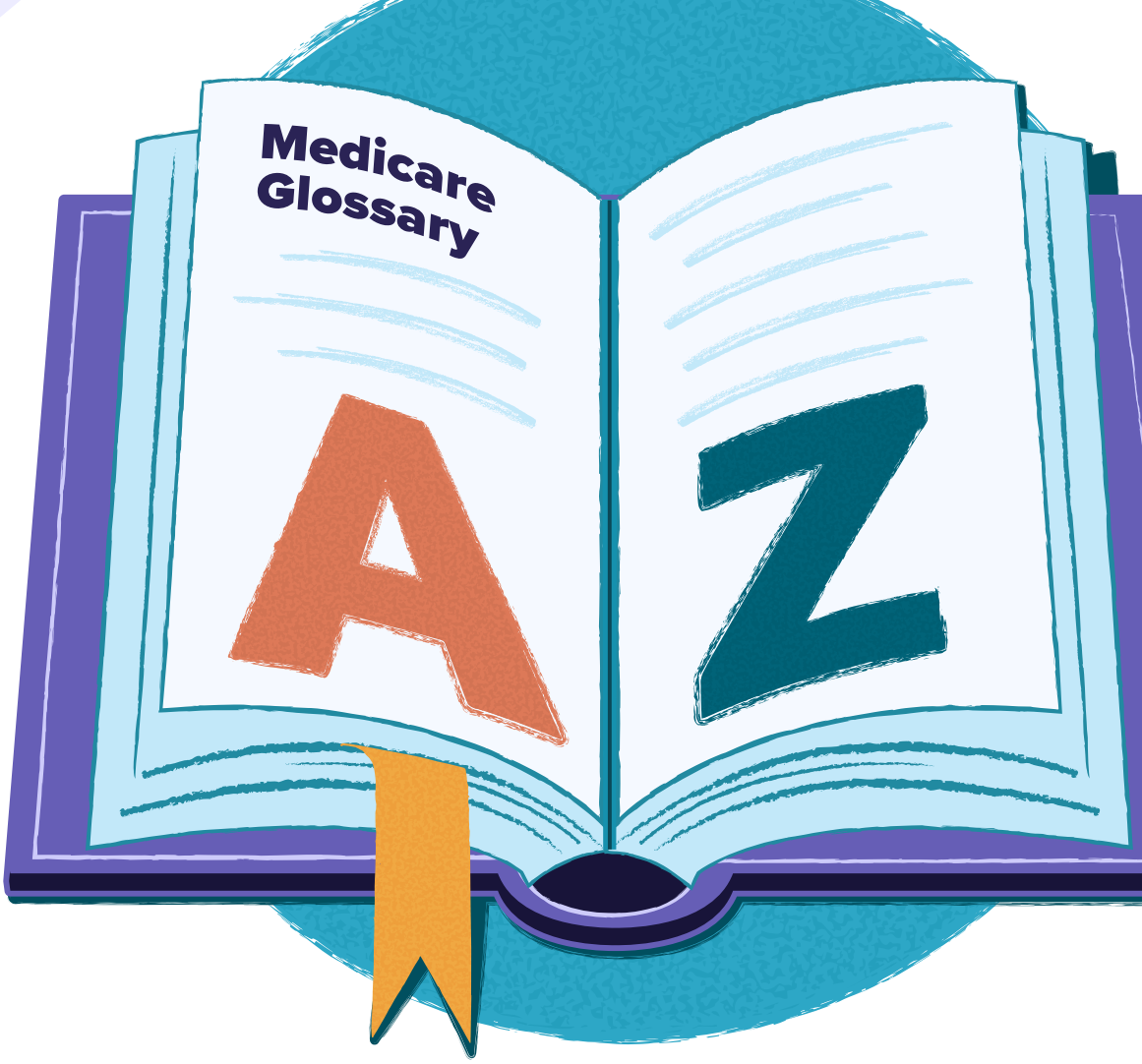

MyALEXHealth™ Medicare Glossary

A-to-Z cheat-sheet for the terms you'll meet most often

(Bookmark, download as a PDF, or print → File > Print > "Save as PDF")

A

Actual Charge – The amount a provider bills for a service before any insurance adjustments.

Advance Beneficiary Notice (ABN) – A notice a provider gives you when they think Medicare may not pay for a service; signing means you might pay the full cost.

Annual Enrollment Period (AEP) – October 15–December 7 each year, the main window to change Medicare Advantage or Part D plans for the following year.

Assignment – When a provider agrees to accept Medicare's approved amount as full payment (you pay only deductibles/coinsurance).

B

Balance Billing – Charging you the difference between a provider's bill and the Medicare-approved amount; not allowed if the provider accepts assignment.

Benefit Period (Part A) – Starts the day you enter a hospital or skilled-nursing facility and ends after 60 days out of those settings; deductibles reset each benefit period.

Broker – A licensed agent who sells Medicare plans, usually paid by carrier commissions.

C

Catastrophic Coverage (Part D) – The phase where your out-of-pocket drug costs drop sharply after you hit a specific threshold.

Coinsurance – A percentage of the cost you pay after deductibles.

Copayment (Copay) – A fixed dollar amount you pay for a covered service or drug.

Creditable Coverage – Insurance (drug or medical) that's at least as good as Medicare; lets you avoid late-enrollment penalties.

Current Procedural Terminology (CPT) Code – Five-digit code describing a medical service; used to price and process claims.

D

Deductible – The amount you pay before Medicare or your plan starts covering costs.

Durable Medical Equipment (DME) – Reusable medical items (wheelchairs, CPAP machines) covered under Part B when medically necessary.

Donut Hole – Old term for the Part D coverage gap; mostly closed, but out-of-pocket costs still change in this phase.

E

Effective Date – When your Medicare coverage begins.

Excess Charge (Part B) – Up to 15% providers may bill above the Medicare-approved amount if they don't accept assignment.

Explanation of Benefits (EOB) – The insurer's statement showing what was billed, what they paid, discounts, and what you may owe (not a bill).

F–G

Formulary – A plan's list of covered prescription drugs, grouped by cost tiers.

Free Look Period (Medigap) – 30 days after buying a Medigap policy when you can cancel for a refund of the premium.

General Enrollment Period (GEP) – January 1–March 31 to enroll in Part A and/or Part B if you missed your initial window (coverage starts July 1 and late penalties may apply).

H–I

Health Maintenance Organization (HMO) – A Medicare Advantage plan model requiring you to use network providers and get referrals for specialists (except emergencies).

Initial Enrollment Period (IEP) – Seven-month window around your 65th birthday to enroll in Parts A & B without penalty.

Income-Related Monthly Adjustment Amount (IRMAA) – Surcharge added to Part B and Part D premiums for higher-income beneficiaries.

L–M

Late-Enrollment Penalty – Extra premium added for life if you enroll late in Part B or Part D without creditable coverage.

Lifetime Reserve Days – 60 extra inpatient hospital days Medicare Part A covers once in your lifetime, with higher coinsurance.

Maximum Out-of-Pocket (MOOP) – The annual spending cap in Medicare Advantage plans; after you hit it, the plan pays 100% of covered services.

Medicaid – State/federal program for low-income individuals; can coordinate with Medicare ("dual eligibility").

Medicare Advantage (Part C) – Private plans bundling Parts A & B (often D) and extras like dental, vision, hearing.

Medigap (Medicare Supplement) – Private policies that pay Parts A & B cost-shares; standardized plans lettered A-N.

N–P

Network – The doctors, hospitals, and pharmacies that contract with a Medicare Advantage or Part D plan.

Observation Status – Hospital stay billed as outpatient; affects Part A skilled-nursing eligibility—always ask your status.

Open Enrollment Period (Medicare Advantage OEP) – January 1–March 31; lets MA enrollees switch MA plans or return to Original Medicare once.

Part A – Hospital insurance (inpatient, skilled-nursing, hospice).

Part B – Medical insurance (outpatient care, doctors, DME).

Part C – Medicare Advantage.

Part D – Prescription-drug coverage sold by private insurers.

Prior Authorization – Plan approval needed before certain services/drugs are covered.

Premium – Monthly amount you pay to keep coverage active.

Q–S

Qualified Medicare Beneficiary (QMB) – Medicaid program that pays Part A / B premiums and cost-shares for low-income enrollees.

Referral – Written order from a primary-care doctor to see a specialist (common in HMOs).

Skilled Nursing Facility (SNF) – Facility providing rehab or skilled nursing after hospitalization; Part A covers up to 100 days per benefit period if eligibility rules are met.

Special Enrollment Period (SEP) – A window outside regular enrollment periods triggered by life events (moving, losing employer coverage).

T–Z

Therapy Cap – Previously a dollar limit on outpatient therapy—replaced by thresholds that still require claims review above certain amounts.

Tier – Drug formularies group meds into cost levels (Tier 1 = generic, Tier 5 = specialty).

TrOOP (True Out-of-Pocket) – Running total of what you and certain others pay for Part D drugs; reaching the threshold moves you into Catastrophic Coverage.

Urgent Care – Immediate outpatient care for non-life-threatening issues; usually lower copay than ER.

Utilization Management – Plan techniques (prior auth, step therapy, quantity limits) to control costs and ensure appropriate use.

Waiting Period (Medigap) – Time during which a Medigap policy may not cover pre-existing conditions if you apply outside guaranteed-issue windows.

Wellness Visit (Annual) – Part B-covered yearly preventive visit to create/update a personalized prevention plan (different from a “physical”).

Dive deeper into **the most frequent—and most frequently misunderstood—Medicare buzzwords** we hear about every day. Check out our blog post, Turning 65? Meet the Buzzwords Most Likely to Trip You Up, bookmark it, and sidestep hidden penalties and surprise costs.

Next-Level Clarity—In One Click

Looked up a term but still want the big picture?
If you're turning 65 or new to Medicare, **fire up ALEX® inside MyALEXHealth** and watch every buzzword turn into real-life dollars and deadlines on the same screen as your plan options.

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