ALTARUM
HEALTHCARE VALUE HUB

Glossary: Healthcare Affordability

Poll after poll shows that high healthcare costs are consumers' top concern that they want their elected officials to address. This glossary contains terms that may be encountered when comprehensively addressing healthcare affordability, for example, through critical efforts like closing the coverage gap; creating affordable, evidence-based cost-sharing; addressing wasteful services; and reining in excess prices.

Term	Acronym	Definition
Affordability Standard		A measure that identifies the point at which goods or services become unaffordable given people's income, spending and judgments about the value of the goods and services for their price.
Affordable Care Act	ACA	The comprehensive healthcare reform law enacted in March 2010 (sometimes known as "Obamacare"). Its full name is The Patient Protection and Affordable Care Act.
All-Payer Claims Database	APCD	Databases that collect claims data from payers including private insurance companies, state employee health benefit programs and, in some cases, Medicare and Medicaid. The data includes charges and payments, provider information, clinical diagnosis and procedure codes, which are vital for examining healthcare spending in a state.
Balance Billing		When a patient receives services from a doctor or hospital that does not participate in their insurer's network and the provider is not obligated to accept the insurer's payment as "payment in full," the provider may "balance bill" the patient for the remaining, unpaid amount. Balance bills may also be Surprise Medical Bills (see below).
Basic Health Plan	BHP	A health coverage program for low-income residents who would otherwise be eligible to purchase coverage through the Exchange or Health Insurance Marketplace. A BHP is an optional way for states to provide more affordable coverage for lower-income residents and to improve continuity of care for people whose incomes fluctuate above and below Medicaid levels.
Cost-sharing		Charges for medical care that a patient is responsible for under the terms of their health plan, such as deductibles, co-insurance and co-payments. The amount paid through monthly premiums is not part of cost-sharing.
Coverage Gap		In states that did not expand Medicaid, many adults, particularly childless adults, fall into a "coverage gap" by having incomes above Medicaid eligibility limits but below the lower limit to receive Marketplace premium tax credits. This often makes health insurance unaffordable for these individuals.

Term	Acronym	Definition
Health Spending Target		Annual targets for healthcare spending that can be established at a national level, a state level or for other subsets of spending. These targets are used to both measure and constrain aggregate healthcare spending.
High-Value Care		Healthcare services that are of proven value and have no significant tradeoffs—that is, the benefits of the services so far outweigh the risks that all patients with the special medical conditions should receive them.
Low-Value Care		Unnecessary, inefficient healthcare services that provide little or no benefit to the patient; some of these services cause medical harm (see definition below).
Medical Harm		Unintended physical injury to a patient resulting from clinical care. These include medical errors and hospital-acquired infections.
Medicaid		Free or low-cost health coverage for people with low incomes, covering hospital stays, drugs, physician visits and more. The program is financed jointly by the states and the federal government but is administered by the states. The Affordable Care Act includes a very significant expansion of Medicaid eligibility, but some states have chosen not to participate in that expansion.
Negotiated Rates	SMB	The fee a provider charges a health plan and its members for a specified medical service based on contract negotiations between the provider and the insurance company.
Payers		Healthcare costs are paid for by private or public payers. Private payers are insurance companies and public payers are federal or state governments, but ultimately these costs are paid for by consumers through their premium payments, lost wages and taxes.
Premium Tax Credits		Tax credits (created by the Affordable Care Act) to lower the cost of health insurance purchased through the insurance Marketplaces for lower- and middle-income people.
Price Gouging		When a seller spikes the prices of goods or services to a level much higher than is considered reasonable or fair, especially during a state of emergency.
Public Reporting		Public reporting of data comparing the performance of hospitals or physicians. This data most commonly displays quality indicators but may also include price information. Public reporting provides a non-financial incentive for providers to change undesirable behaviors to avoid negative perceptions.
Rate Review		The scrutiny of proposed premium rates by state health insurance departments, or occasionally the federal government. This scrutiny is intended to help moderate premium hikes and lower costs for individuals, families and businesses that buy insurance in these markets.

Term	Acronym	Definition
Short-Term, Limited Duration Health Plans	STLD	Health plans that only provide coverage for a limited term, typically less than 365 days. Because they are not subject to the consumer protections under the Affordable Care Act, short-term policies are also characterized by significant limitations with respect to covered services and often impose maximum limits on what the plan will pay.
Standard Benefit Design		An effort to standardize cost-sharing and scope of coverage into a few basic insurance plan designs, making it easier for shoppers to compare alternatives. These designs can also incorporate consumer-friendly features such as a preference for copayments over coinsurance.
State-Based Exchange or Marketplace		An insurance marketplace where a state provides the infrastructure, the website and the customer support for individuals and small businesses to purchase health plans that conform to Affordable Care Act rules.
Surprise Medical Bills	SMB	Any medical bill for which a health insurer paid less than the patient expected. Surprise bills can come from in-network or out-of-network providers.
Value-Based Purchasing	VBP	Payment incentives to providers that reward quality of care. Incentives may reward providers for measuring and reporting comparative performance and/or meeting performance targets. Also known as Value-Based Reimbursement.