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## KEY TERMS

**As of January 7, 2021**

1. **In-Network Providers** – These are providers that have a contract with your insurance company. If you receive covered services from an in-network provider, generally you will only need to pay your deductible and any applicable copay or coinsurance. You may not be billed for the balance by the provider.
2. **Out-of-Network Providers** – These are providers that do not have a contract with your insurance company. If you receive covered services from an out-of-network provider, the insurance company may not be required to pay any portion of the charges, or your copay or coinsurance may be larger than if the services had been provided by an in-network provider. You may also be subject to balance billing.
3. **Allowable Amount** – The maximum amount the insurance company will use when deciding what to pay for a covered health care service. This is sometimes referred to as "payment allowance" or "negotiated rate." For services received from out-of-network providers, you may have to pay the difference if your provider charges more than the allowable amount.
4. **Authorization** – Authorization usually means that your health plan reviews whether the services you received, and the setting where you received them, are medically necessary and appropriate. Your health plan may require authorization of some services before you receive them, or on an ongoing basis. If you see an in-network provider, your provider should handle the authorization request. If you are in certain plans, particularly HMO plans, you may also need a referral from your primary care physician to see a specialist.
5. **Balance Billing** – If you receive covered services from an out-of-network provider, and the cost of these services is more than the allowable amount, the provider may be permitted to bill you for the difference. In some circumstances, you may be protected from balance billing. For example, if you are treated by a Maryland doctor in an emergency room, the law may protect you. If you have a choice of providers,

and you choose an out-of-network provider, you may have to pay the full amount of the provider's bill.

6. **ERISA** – ERISA is a federal law, the Employee Retirement Income Security Act, that applies to employee benefit plans, including health benefit plans. If an employer self-insures its employee health plan, even if the employer uses an insurance company as an administrator, then ERISA pre-empts state laws, so that state laws do not apply to the health plan.
7. **Mental Health Parity** – The Mental Health Parity and Addiction Equity Act, commonly known as the Parity Act, generally requires insurance companies to provide you with mental health and substance use benefits at least equal to the benefits that are offered for medical treatments.

Under Mental Health Parity, if your insurance company provides for unlimited doctor visits for a chronic physical health condition like migraine headaches or diabetes, in most cases it must also offer you unlimited visits for mental health conditions such as depression or alcohol addiction. The policy must not discriminate against mental health and substance use.

In addition to offering you the same numbers of office visits, your copays, coinsurance, deductible and the out-of-pocket maximum must also be comparable to the costs to you for physical health benefits. The process your insurance company uses to decide if your treatments are necessary must be comparable to the process used for approving or denying other medical benefits, including requirements for pre-authorization. The approval process for access to care can NOT be more stringent for mental health and substance use treatment.

These standards apply to services provided by both in-network providers and out-of-network providers. Your insurer has a process for you to request benefits to a specialist who is not under contract with the insurer.

The primary role of the Maryland Insurance Administration is to protect consumers from illegal insurance practices and to ensure that insurers and insurance producers (also known as agents or brokers) act in accordance with state insurance laws and regulations. We are here to assist you with your complaint. To file a complaint online, go to: <https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>.

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