Financial Assistance Program
Glossary of Terms

Medical and billing language can be confusing. This glossary explains the terms you are most likely to see or hear about on your bill, in our financial assistance materials, and when talking to our staff. Each term includes a formal definition and a plain-language explanation of what it means for you.

If you have specific questions, please call us at **205-801-9910 (option 4)** or visit **uabmedicine.org/billing**.

A

Amount generally billed (AGB)

Definition: The amount that Medicare, Medicaid, and private health insurers typically pay for a service. Federal law requires nonprofit hospitals to limit what they charge financially assisted patients to no more than this amount.

What this means for you: Even if the full list price for your care is high, if you qualify for financial assistance, UAB Medicine will only charge you an amount equal to what most insurers typically pay – not the higher list price. This can significantly reduce your bill.

Example: If a hospital stay has a list price of $10,000, but Medicare and private insurers typically pay $4,200, the AGB for that stay would be $4,200, and that's the most you could be charged if you qualify for financial assistance.

C

Catastrophic care assistance

Definition: A form of financial assistance for patients whose medical bills are unusually high. Under UAB Medicine's policy, eligible patients' financial responsibility may be capped at no more than 20% of their annual household income.

What this means for you: If your medical bills are very large, UAB Medicine may limit your total share to 20% of your yearly household income, regardless of how large the bill is.

Example: If your family earns $100,000 per year, and your bills after insurance total $150,000, catastrophic care assistance could cap what you owe at $20,000 (20% of $100,000).

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Charity care

Definition: A form of financial assistance provided at no cost to patients who meet income eligibility criteria, typically those who are uninsured or underinsured with incomes at or below a defined percentage of the federal poverty level.

What this means for you: Charity care means that your bill is reduced to zero – or close to it – because you qualify based on your income and insurance situation. You still receive full care; the hospital simply does not charge you for it.

Coinsurance

Definition: The percentage share of the cost of a covered healthcare service that insured patients pay after meeting their deductible. For example, if your plan's coinsurance is 20%, you pay 20% of the allowed amount and your insurance pays the rest.

What this means for you: After you've met your deductible for the year, your insurance company and you will split the remaining bills by a set percentage. If your share is 20%, you pay 20 cents of every dollar for covered services.

Example: Your plan's allowed amount for a procedure is $500. Your deductible is already met. With 20% coinsurance, you pay $100 and your insurance pays $400.

Copay (copayment)

Definition: A fixed dollar amount that an insured patient pays directly to a healthcare provider at the time of service. The amount may vary depending on the type of service.

What this means for you: A copay is the set amount you pay each time you see a doctor or fill a prescription, separate from your deductible or insurance. It is due at the time of your visit.

Example: Your plan has a $30 copay for specialist visits. Every time you see a specialist, you pay $30 at the front desk, regardless of what else is billed.

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Deductible

Definition: The dollar amount patients may pay out of pocket for covered healthcare services before their health insurance begins to pay. The deductible resets at the beginning of each plan year and may not apply to all services.

What this means for you: Think of your deductible as the amount you have to "use up" before your insurance starts helping. Until you reach that number each year, you are paying most or all of your medical bills yourself.

Example: Your deductible is $1,500. Until you've paid $1,500 in covered medical bills this year, your insurance may not pay anything. Once you hit $1,500, your insurance kicks in.

F

Federal poverty level (FPL)

Definition: A measure of income set each year by the U.S. Department of Health and Human Services, based on household size. It is used to determine eligibility for many assistance programs, including UAB Medicine's Financial Assistance Program.

What this means for you: The federal poverty level is a guide the government uses to define what counts as low income. Many assistance programs, including ours, use a percentage of the FPL to decide who qualifies. The higher your income relative to the FPL, the less assistance you may receive.

Example: In 2026, the FPL for a family of four is approximately $31,200. UAB Medicine's assistance threshold is 200% of the FPL, which for a family of four would be about $62,400.

Financial assistance

Definition: Help provided by UAB Medicine to patients who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation.

What this means for you: Financial assistance is help from UAB Medicine when you can't afford to pay your medical bills. It can reduce or even eliminate what you owe, depending on your income and situation. You don't have to be completely without money to qualify, but you do have to demonstrate a financial need.

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In-network provider

Definition: A hospital, physician, or other healthcare provider that has a contract with your health insurance plan. In-network providers have agreed to accept negotiated rates, which are typically lower than standard charges.

What this means for you: When your doctor or hospital is "in-network", it means they have a deal with your insurance company to cover all or a portion of the cost of services. As a result, your insurance covers more of the cost, and your out-of-pocket share is usually lower.

Example: Your insurance plan lists UAB St. Vincent's as in-network. When you are treated there, your insurance pays at the negotiated rate, and your share (copay, coinsurance, deductible) is lower than if you went to an out-of-network hospital.

M

Medically necessary care

Definition: Healthcare services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, or disease, meeting accepted standards of medicine. Services that are elective or cosmetic are generally not considered medically necessary.

What this means for you: Medically necessary care means care that your doctor determines you need for your health, not cosmetic or optional procedures. Financial assistance at UAB Medicine covers medically necessary care, not elective procedures.

O

Out-of-network provider

Definition: A hospital, physician, or other healthcare provider that does not have a contract with your health insurance plan. Patients typically pay more when using out-of-network providers.

What this means for you: Going "out-of-network" means that your insurance has no agreement with that provider. This usually means that your insurance pays less (or nothing) and you owe more. It's always worth checking whether a provider is in your network before scheduling care.

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Out-of-pocket payment

Definition: The portion of medical costs that a patient is responsible for paying, including deductibles, copayments, and coinsurance. For uninsured patients, this may be the full charge for a service.

What this means for you: Out-of-pocket costs are what you actually have to pay yourself – the portion of your bill not covered by insurance. This includes your deductible, copays, coinsurance, and anything else your insurance plan doesn't cover.

P

Payer

Definition: An organization that collects premiums or tax funds and pays healthcare provider claims. Examples include commercial health insurance plans, Medicare, and Medicaid.

What this means for you: A payer is whoever pays the doctor or hospital on your behalf, like your insurance company, Medicare, or Medicaid. If you don't have insurance, you are your own payer.

Payment plan

Definition: An arrangement with UAB Medicine that allows a patient to pay an outstanding balance in regular installments over time rather than in a single payment.

What this means for you: A payment plan lets you break a large medical bill into smaller, regular payments. Instead of paying everything at once, you agree to pay a set amount each month. UAB Medicine offers payment plans as a courtesy, to help patients manage their bills.

Example: Your bill is $600 after financial assistance. Instead of paying $600 at once, you and Patient Billing Solutions agree to a payment plan of $60 per month for 10 months.

Price transparency

Definition: The practice of making healthcare pricing information readily available to patients before they receive care, so they can make more informed decisions about their options.

What this means for you: Price transparency means you can find out what your care will cost before you receive it. UAB Medicine provides a cost estimation tool and publishes standard charge information online, to help you plan ahead.

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Self-pay adjustments

Definition: A reduction in charges offered to uninsured patients who do not qualify for full financial assistance. The adjustment is calculated based on a percentage of the amount generally billed (AGB).

What this means for you: If you don't have insurance and don't qualify for full charity care, UAB Medicine may still reduce your bill through a self-pay adjustment. Instead of paying the full list price, you'll pay a reduced rate that is recalculated each year.

U

Underinsured

Definition: Patients who have health insurance but whose coverage is insufficient to cover all of their medical costs, leaving a significant remaining balance that they are responsible for paying.

What this means for you: Being underinsured means you have insurance, but it doesn't cover enough. You might have limited coverage, leaving you with large bills even after your insurance pays.

Example: Your insurance covers most of your physician services but doesn't pay for a specific service that it says is not covered by your plan, which leaves you responsible for this amount. UAB Medicine will adjust this charge based on the amount generally billed (AGB).

Uninsured

Definition: A patient who does not have any form of health insurance coverage, including employer-sponsored insurance, government programs such as Medicare or Medicaid, or individual coverage.

What this means for you: Being uninsured means that you do not have health insurance of any kind. Without insurance, the full cost of care is typically billed to you. UAB Medicine's financial assistance program is available to help uninsured patients who cannot afford to pay.