

## PATIENT BILLING TERMS

definitions courtesy of [Healthcare Financial Management Association \(HFMA\)](#) and [healthcare.gov](#)

### **Charge**

The amount of money a doctor or supplier charges for a certain medical service or supply.

### **Claim**

Your medical bill that is sent to an insurance company for processing.

### **Coinsurance**

Coinsurance is a percentage of the health care bill that you pay. For example, you pay 20% and your insurance company pays 80%. Your out-of-pocket cost is based on the total amount that your insurance has allowed for the visit, NOT on the hospital charges.

### **Copayment/Copay**

Copayments are set amounts you pay when you go to a health care provider. Providers usually collect copayments at the visit. Copayment amounts are listed on your health insurance card. For example, ER copay = \$50.

### **Covered Benefit**

A health service or item that is included in your health plan, paid for either partially or fully. Covered benefits and excluded services are defined in the health insurance plan's coverage documents.

### **Deductible**

Deductibles are the yearly expenses you pay before your health insurance pays anything. For example, each year you pay the first \$1,000 of your health care bills before your health insurance pays anything. Your out-of-pocket cost is based on the total amount that your insurance has allowed for the visit, NOT on the hospital charges.

### **Discount**

Dollar amount taken off your bill, usually because of a contract with your hospital or doctor and your insurance company.

### **Emergency Care**

Care given for a medical emergency when you believe that your health is in serious danger, when every second counts.

### **Excluded Services**

Health care services that your health insurance or plan does not pay for or cover. Excluded Services and Covered Benefits are defined in the health insurance plan's coverage documents.

### **Explanation of Benefits (EOB)**

The notice you receive from your insurance company after getting medical services from a doctor or hospital. It tells you what was billed, the payment amount approved by your insurance, the amount paid, and what you have to pay.

### **Explanation of Medicare Benefits (EOMB)**

The notice you receive from Medicare after getting services from your doctor or hospital. It tells you what was billed to Medicare, Medicare's approved payment, the amount Medicare paid, and what you have to pay. Also called a Medicare Summary Notice (MSN).

### **Federal Poverty Level (FPL)**

A measure of income level issued annually by the Department of Health and Human Services. Federal poverty levels are used to determine your eligibility for certain programs and benefits.

### **Financially Responsible Party**

The person(s) responsible for paying your hospital or bill--also referred to as the guarantor.

### **Medicaid**

A state administered, federal and state funded insurance plan for low-income people who have limited or no insurance. The Medicaid program in Massachusetts is MassHealth.

### **Medicare**

A health insurance program for people age 65 and older. Medicare covers some people under age 65 who have disabilities or end-stage renal disease (ESRD).

### **Medicare Part A**

Also referred to as Hospital Insurance, it helps pay for inpatient care in hospitals and hospices, as well as some skilled nursing costs.

### **Medicare Part B**

Helps pay for doctor services, outpatient care, and other medical services not paid for by Medicare Part A.

### **Medicare Part C (Medicare Advantage)**

A type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Medicare Part A and Part B benefits.

## PATIENT BILLING TERMS

definitions courtesy of [Healthcare Financial Management Association \(HFMA\)](#) and [healthcare.gov](#)

### **Network**

A group of doctors, hospitals, pharmacies, and other health care experts contracted by a health plan to take care of its members.

### **Non-Covered Charges**

Charges for medical services denied or excluded by your insurance. You may be billed for these charges.

### **Non-Participating Provider**

A doctor, hospital, or other health care provider that is not part of an insurance plan's doctor or hospital network. Also called a non-preferred provider.

### **Out-of-Network Provider**

A doctor or other health care provider who is not part of an insurance plan's doctor or hospital network. Same as non-participating provider.

### **Out-of-Pocket Costs**

Your expenses for medical care that are not reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services plus all costs for services that are not covered.

### **Out-of-Pocket Maximum/limit**

The most you pay during a policy period (usually one year) before your health insurance or plan starts to pay 100% for covered essential health benefits. This limit must include deductibles, coinsurance, copayments, or similar charges and any other expenditure required of an individual which is a qualified medical expense for the essential health benefits. This limit does not have to count premiums, balance billing amounts for non-network providers and other out-of-network cost-sharing, or spending for non-essential health benefits.

### **Participating Provider**

A doctor or hospital that agrees to accept your insurance payment for covered services as payment in full, minus your deductibles, copayments and coinsurance amounts.

### **Premiums**

Set amounts that you and/or your employer must pay to the insurance company for your health insurance, usually on a monthly basis.

### **Primary Insurance Company**

The insurance company responsible for paying your claim first. If you have another insurance company, it is referred to as the Secondary Insurance Company.

### **Referral**

Approval needed for care beyond that provided by your primary care doctor or hospital. For example, managed care plans usually require referrals from your primary care doctor to see specialists or for special procedures.

### **Secondary Insurance**

Extra insurance that may pay some charges not paid by your primary insurance company. Whether payment is made depends on your insurance benefits, your coverage, and your benefit coordination.

### **Urgent Care**

Care for an illness, injury or condition serious enough that a reasonable person would seek care right away, but not so severe as to require emergency room care.