

Common Definitions You May Encounter with Billing and Insurance

Premium: The amount you or your employer pay for your insurance policy.

Deductible: The amount you will pay before your health insurance begins covering services. Some services, like preventative services and annual physicals, may be excluded from this.

Co-payment: A flat fee set by your insurance company for each appointment. Some insurance companies also have different co-payment amounts depending on what type of provider you are seeing.

Co-Insurance: After the deductible is applied, the co-insurance is the percentage of the total cost you pay. Example: if you have an 80/20 co-insurance plan, your insurance covers 80% of the cost and you pay 20% of the cost until you meet your Maximum Out of Pocket amount.---**Covered Services:** Those services for which coverage benefits are available under the health care plan. Please note, covered services are not always paid in full by insurance. Deductible, co-payment and co-insurance amounts may be due by the patient.

Maximum Out of Pocket: The most you will pay “out of pocket” before the entire amount of your covered medical bills are paid by your insurance. Your monthly premium does not count towards your out of pocket amount for the year.

Adjustment Amount: The amount your healthcare provider has agreed to not charge. This amount does not affect any of the amounts you are responsible for.

Explanation of Benefits (EOB): Sent from your insurance company to describe what they will pay, or not pay, for medical care and products you have received. The EOB can be used to confirm the balance due from your provider.

Medicare Part A: Hospital Insurance – helps cover inpatient care in hospitals, skilled nursing facility care, hospice care and home health care.

Medicare Part B: Medical Insurance – helps cover services from doctors and health care providers, outpatient care, and many preventive services.

Medicare Advantage Plan (Part C): A type of Medicare health plan offered by a private company that contracts with Medicare. Medicare Advantage Plans provide all of your Part A and Part B benefits, with a few exclusions.

Medicare Part D: Drug Coverage – Helps cover the cost of prescription drugs. Plans that offer Medicare drug coverage are run by private insurance companies that follow rules set by Medicare. Please note, Upland Hills Health is not able to bill your medications to Part D.

