

Definitions:

Charge: *Dollar amount assessed to chargeable item.*

Allowed Amount: *Amount approved by health plan and agreed upon by provider that includes insurance portion and patient responsibility.*

Co-insurance: *Amount determined and set by health insurance to be paid by patient or responsible person(s) applied to covered benefits. This is usually a percentage of allowable. Example: patient is seen for lab work in hospital and insurance allows \$100.00, and applies 20% of allowable to patient responsibility. The insurance would pay the hospital \$80.00 and patient or responsible party would be responsible for \$20.00.*

Deductible: *Amount determined annually and set by health insurance to be paid before insurance pays on benefits. There is often an individual deductible as well as family deductible. Insurance companies may assign an in-network deductible and or out of network deductible as well. Example: patient is seen at Urgent care, insurance allows \$150.00 for treatment provided. If patient has not meet deductible the patient would owe \$150.00 which would be applied to deductible. If total deductible was \$200.00, patient would still owe \$50.00 before insurance started to pay on covered benefits.*

Inpatient: *A patient status assigned by treating physician. Inpatient criteria and level of care must meet medical necessity for Inpatient stay. A patient does not always need to stay overnight to meet inpatient level of care.*

Outpatient: *Care provided in an outpatient setting where care is delivered such as lab or xray and once tests are completed patient goes home.*

Observation: *A patient status assigned by treating physician. Observation can occur anywhere in the hospital, where bed is available and patient is monitored by nurses and physician. Observation is considered an outpatient benefit and coverage for outpatient care must be available from payer.*

Outpatient in a bed: *A patient status that is considered an outpatient level of care, where a patient is cared for and monitored for either discharge home or changed to a higher level of care such as Observation or Inpatient care.*

In-Network: *Provider of care is contracted with payer. Please note that the patient or responsible party is responsible for knowing if the provider they are seeking care from is in network. Having care provided by an In-network provider often reduces patient out of pocket.*

Out of Network: *Provider of care is not contracted with payer. Please note that the patient or responsible party is responsible for knowing if the provider they are seeking care from is in network. Having care provided by an out-of- network provider often **increases** patient out of pocket.*

Physician Professional Charges: *Are charges for the professional or doctor's time and resources.*

Copay: *is set amount determined by health insurance for specific services such as doctor office copay. Example: patient is seen at doctor's office, insurance assigns a \$25.00 copay for doctor's office, and then allowed amount is paid by health insurance. This amount is often required prior to seeing doctor and collected upon presenting for services.*