**Insurance Terminology**

**PPO** – Preferred Provider Organization; doesn’t require referrals for specialists, client must pay a deductible before medical bills covered, copayment is usually percentage of total cost, out of network providers usually higher out of pocket cost

**HMO** – Health Maintenance Organization; referrals required for specialists, must designate a PCP, co-pays for all services are fixed rate, can only got to in network providers, referrals required for all specialists

**HSA Eligible Plans** – Health Savings Accounts Eligible Plans are usually PPO’s with a higher deductible, the client puts tax-free money into an account specifically to be used towards medical bills

**Indemnity** - fee-for-service plans because clients pay predetermined amounts or percentages of costs for covered services. The client may be responsible for deductibles and coinsurance amounts.

**Premium** – amount the client pays to insurance each month to have insurance

**Copayment** – amount the client has to pay for a covered service

**Deductible** – amount the client has to pay before insurance covers services

**Coinsurance** – amount the client is required to pay after deductible is met

**Out-of-pocket maximum** – the most a client will have to spend before medical is covered 100%

**Superbill** - a detailed invoice outlining the services a client received. Therapists may need to generate a superbill when they are not on a client's insurance company's panel. The client submits the superbill directly to the insurer, giving the insurer information they need to reimburse the client. Superbills are given only after the client has paid the therapist for services.

**Modifier** – a two-digit billing code that indicates a change in services (usually location of delivery of services) that doesn’t cause the long billing code to change. If a client is telling you this is needed, they MUST call the insurance company and find out what modifier needs to be used.

**CPT/Service code/Billing code** – the number given to insurance companies indicating the type of service provided by the therapist. CPT stands for Current Procedural Terminology.

**EOB –** Explanation of Benefits; this is not a bill, but rather an explanation from the insurance company as to what services were covered and at what cost. The provider may send a bill for uncovered services. The EOB also provides explanations for what services were not covered.