

# Common Billing Terms

Understand these terms and understand your bill

## **Actual charge**

The amount of money a hospital or doctor charges for services or supplies. Often referred to as "gross charges" this amount usually is significantly more than the amount your insurance plan pays, and SCL Health will discount the bill to match what our contract with your insurance plan says.

## **Benefit**

The amount your insurance company pays for medical services.

## **Billing statement**

A printed summary of your hospital bill.

## **Claim**

Your medical bill that is sent to your insurance company for payment.

## **Co-insurance**

The part of your bill that you have to pay after your insurance pays its portion.

## **Co-pay**

An amount of money your insurance company requires you to pay for care at the time you receive medical services.

## **Deductible**

The amount of money you must pay for health care services out of your own pocket before your insurance company starts to pay.

## **Explanation of benefits**

A notice you receive from your insurance company after receiving medical services. It tells you what was billed, what the insurance company will pay, the amount paid and how much you owe.

## **HIPAA**

The federal Health Insurance Portability and Accountability Act that sets federal standards for protecting the privacy of your health information.

## **HMO (Health Maintenance Organization)**

An insurance plan that pays for health care services provided by a specific group of hospitals and doctors. Patients must be referred to specialists and specialty services by their primary care physician.

**In-network provider**

A hospital or physician that is part of an insurance plan's approved providers of health care services.

**Itemized bill**

Your hospital bill that lists all the services you received and the "gross charge" for each. The charge will usually be much higher than what you or your insurance company will be expected to pay.

**Managed Care**

An insurance plan that requires patients to use specific hospitals and doctors with which the plan has contracted.

**Non-covered charges**

Charges for medical services that are not paid by your insurance. You may be expected to pay for these charges.

**Out-of-network provider**

A hospital or physician that is not part of an insurance plan's approved providers of health care services. There is usually an additional cost you must pay to use out-of-network health care providers.

**Out-of-pocket costs**

Amounts for medical services that are not paid by your insurance. These can be co-pay, co-insurance, or non-covered charges. You may be expected to pay for these items.

**Participating Provider**

A hospital or physician that agrees to accept your insurance plan's payment as payment in full once you have paid any co-pay, co-insurance and deductibles.

**PPO (Preferred Provider Organization)**

An insurance plan that pays for health care services provided by a specific group of hospitals and doctors. Patients are free to make appointments with any health care providers within the network without approval from their primary care physician.

**Pre-certification/Pre-authorization/Pre-admission approval**

An agreement by your insurance company to pay for the treatment you will receive. Hospitals and physicians require this approval before you receive non-emergency health care services.

**3rd Party Coverage**

Extra insurance that may pay some charges not paid by your primary insurance company.

**UB04**

The form used by the hospital to bill your insurance company.