

BENEFITS 101 HEALTH INSURANCE

CAN'T UNDERSTAND YOUR DOCTOR'S BILL?

HERE'S WHAT TO EXPECT HEALTHCARE BILLING TERMS

Get fluent in the language of Health Insurance one definition at a time.

✗ Allowed Amount vs. Billed Amount

- The **Allowed** amount is the maximum contracted amount an **insurance plan will pay** for a covered service.
- The **Billed** amount is the **amount the provider charges** for a covered service.

For in-network claims, the difference between the two is typically written off by the provider.

⚖ Balance Billing

The practice of a provider **billing a patient for the difference** between:

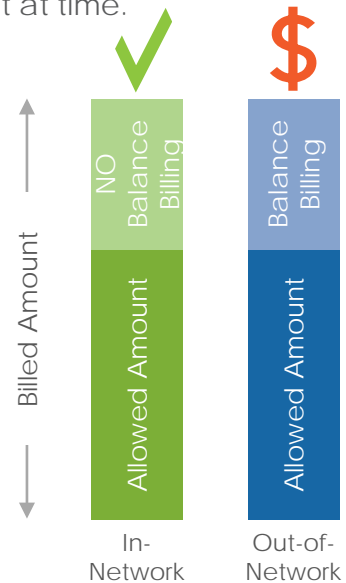
- what the patient's **insurance pays** (allowed amount), and
- what the **provider chooses to charge** (billed amount).

Balance billing comes into play on out-of-network claims, as well as claims that are paid based on UCR.

📖 Usual, Customary & Reasonable (UCR)

The amount paid for a medical service in a **geographic area based** on what providers in the area usually charge for the same or similar medical service.

The UCR is sometimes used to determine the allowed amount.



QUESTIONS?

Contact the TrueAdvocate Team



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