

# Key Terms to Know

*A list of common terms related to health benefits appears below. For terms and benefits specific to your plan, refer to your Summary Plan Description (SPD). Contact your employer's benefits department to obtain an SPD or for additional assistance.*

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## **Allowed Amount**

The amount the plan considers in determining benefits, based on benefits described in the SPD and the amount charged for the same service by other doctors in the same geographic area. If the provider's fee is reduced because of a discount, the considered amount is the difference between the provider's fee and the discount. Also called "repriced amount" if a discount is applied to the provider's fee.

## **Benefit Plan Administrator**

The party contracted by your employer to process claims for health benefit plan participants. **Call here for questions on coverage.**

## **Billed Charge**

The provider's fee for the service performed, before any discount or co-insurance is applied.

## **Claims Administrator**

*See Benefit Plan Administrator*

## **Co-Insurance**

The amount of a claim for which you are responsible (often expressed as a percentage, e.g. 20 percent). Co-Insurance is calculated based on the benefits outlined in the Summary Plan Description (SPD).

## **Considered Amount**

*See Allowed Amount*

## **Coordination of Benefits**

The system for determining how claims are paid for patients covered under more than one health benefit plan. Refer to your SPD for more information on how your plan coordinates benefits with others.

## **Co-Pay**

A flat fee you pay for a certain service or benefit, e.g. \$10 for an office visit.

## **Covered Charge**

A service or benefit eligible for payment; however, certain requirements or limits may apply.

## **Date of Service**

The date on which a claim was incurred—necessary information for accurately calculating when deductibles, benefit limits and out-of-pocket maximums are reached, if applicable.

## **Deductible**

The amount the patient must pay before the plan pays benefits. Check your SPD to see if your plan's family deductible is an aggregate of all family members' charges or if each family member's deductible is tracked separately. Plan participants must satisfy a new deductible each calendar year, usually.

## **Discount**

The difference between the amount the provider charges and the amount he or she agreed to accept as payment in full.

## **Duplicate Claim**

A claim that has been submitted more than once for consideration by the plan. The claims administrator should reject or deny duplicate claims to avoid duplicate payments.

## **Excluded Amount**

The amount of a claim that is denied, typically for a service or benefit not covered under the plan or provided in excess of plan maximums. Charges not covered under the plan do not count toward deductibles or out-of-pocket limits.

## **Explanation of Benefits (EOB)**

The statement produced by the benefit plan administrator showing how a claim was processed.

## **Lifetime Maximum**

The most the plan will pay for a benefit plan participant during the time period in which the participant is covered under the plan (usually not the participant's entire lifetime).

## **Out-of-Pocket Maximum**

The most you may be required to pay for Covered Charges during a specific time period, often one year. May or may not include the deductible. Family maximums may be an aggregate of all family member's co-insurance and/or deductibles or calculated separately. Check your plan's SPD for details.

## **Preauthorization**

Approval to obtain care or approval for an inpatient admission, required by some plans.

**Failure to obtain preauthorization may affect benefit payment.** Check your health plan ID card or call your human resources/employee benefits department to see if applicable. **The Alliance does not perform preauthorization or precertification.**

## **Precertification**

See Preauthorization

## **Reasonable & Customary (R&C) Amount**

See Allowed Amount

## **Repriced Amount**

Literally, the amount of a claim that has been "priced again" by The Alliance; that is, the discount has been applied to the original charge. See Allowed Amount.

## **Submitted Charge**

See Billed Charge

## **Usual & Customary (U&C) Amount**

See Allowed Amount