

Insurance Terminology

The glossary below will help you to better understand how your policy works. Different plans vary widely, even among the same company.

Allowable: This is the portion of our visit fee that your insurance company will reimburse us for. It is always a discounted amount of our full "fee for service" visit rate. Depending on your insurance plan, you will have coverage for a percentage of the allowable for that visit, up to 100%. Allowable = covered portion + your co-pay or co-insurance.

Authorization: Some insurance policies include an agreement to pay for a certain number of mental health visits per year (or contract period). Sometimes the agreement happens automatically--other times, you will need to request it. If your policy requires an authorization, our billing software tracks the remaining number of visits. However, you are responsible for keeping track yourself, since we have no way of knowing whether you have also seen another provider outside of our office. Sometimes, you can apply for a new authorization when one runs out.

Calendar vs. Contract Year Policy: Calendar year policies begin on January 1st and end on December 31st. Contract year policies begin on a specified renewal date for the plan. For example, if an insurance plan renews on September 1st every year, the patient's benefits will start September 1st and end on August 31st.

Co-insurance: Some plans have co-insurance, instead of a co-pay per visit. Once your plan's deductible has been met, you will be responsible for a percentage of the allowable, and the insurance company will cover the remainder.

Co-pay: A pre-defined payment amount for each visit, for which the patient is responsible.

Current Procedural Terminology (CPT) Codes: Billing codes that describe the medical services and/or procedures for a given office visit. Each visit at our office will be assigned two codes: the initial CPT code describes the type of visit, and the second CPT will describe the length of the visit.

Diagnosis: Your insurance company will require a diagnosis code, which is a description your provider will assign, based on your symptoms. Some of your benefits will depend on your diagnosis. See also: SMI (below).

Deductible: A fixed dollar amount that an insurance plan member must pay for eligible services before the insurance company begins applying insurance benefits. Your plan might have an individual deductible, and a family deductible. When you call, remember to ask how much of your health care expenses for the year have already been applied to your deductible.

Dollar Max: The maximum dollar amount an insurance company will cover.

Effective Date: The effective date of a health insurance policy is the date that coverage begins.

In Network: If our provider is "in network," it means that he/she has signed a contract with your payer. We are reimbursed a set amount, and we may not charge you or other members of that plan a higher amount.

Out of Network: If our provider is "out of network," it means that he/she has not signed a contract with your payer. Please see "Financial Matters" (www.pondworkspsychiatry.com) to get started investigating your options if our providers are not in-network with your plan.

Out of Pocket Max: The highest dollar amount that a patient will have to pay for healthcare during a plan period. Before reaching the out-of-pocket maximum, the patient is responsible for their co-pays and/or coinsurance. However, once the out-of-pocket maximum has been reached, the insurance will pay 100% of the allowed amount for covered healthcare expenses.

Pre-Existing: If an individual suffered from a condition prior to having insurance, the insurance company may classify the condition as "pre-existing" and not cover any services related to the condition.

SMI: Serious Mental Illness. Some diagnoses are pre-determined to be "serious." Generally, the insurance coverage for these diagnoses is greater.

Visit Max: Some insurance plans will only cover an allotted number of visits for the plan year. Authorization may be required for additional visits.