

## Insurance Definitions

- **Allowable amount:** Amount of money your insurance company will pay per procedure (or visit) regardless of the amount billed.
- **Authorization (or prior approval):** Permission required by certain insurance plans prior to receiving care (i.e. 1<sup>st</sup> visit with physical therapy) or for continuation of care (i.e. additional physical therapy visits).
- **COB (coordination of benefits):** If you have two or more insurance plans (primary and secondary), the insurance companies will work together to ensure payments are processed and paid correctly according to your benefits.
- **Co-insurance:** Your responsibility (*at the time of service*) as determined by certain health insurance plans. Typically a percentage of the charge allowed by your insurance plan (i.e. 10%, 20%).
- **Co-payment:** Your responsibility (*at the time of service*) as determined by certain health insurance plans. Typically a flat amount (i.e. \$10, \$15, \$20).
- **Deductible:** Amount of money certain health insurance plans require you to pay out-of-pocket per calendar year *before* the health insurer will share the costs of services provided. You will pay only the Allowable Amount (see above).
- **EOB (Explanation of benefits):** A review of services billed to the insurance company that is mailed directly to you from your insurance company after health care services have been rendered. The EOB will show the amount charged, the allowable amount, the amount paid, and the amount you owe.
- **Prescription (script):** Order for Physical Therapy written by a physician or other approved healthcare provider introducing the patient and medical diagnosis.
- **Referral:** Formal process required by certain insurance plans *prior* to time of service that authorizes you to see a specialist (i.e. physical therapist) as recommended by the primary care physician.