ROYALTON
PSYCHOLOGICAL
ASSOCIATES, LLC

HMO Insurance Explanation

Understanding health insurance can be confusing, so Royalton Psychological Associates, LLC. has put together this explanation of common terms and our policies regarding payment.

Deductible

The amount you pay for covered health care services before your insurance plan starts to pay. For example, with a $2,000 deductible you pay the first $2,000 of covered services yourself. The deductible must be met each year (often the calendar year) and resets yearly.

After you pay your deductible, you usually pay only a copayment or coinsurance for covered services. Your insurance company pays the rest.

Copayment (Co-pay)

A fixed amount (example $20) you pay for a covered health care service after you have paid your deductible.

For example, your health insurance plan's allowable cost for a doctor's office visit is $100. Your copayment for a doctor visit is $20.

- If you have paid your deductible: You pay $20, usually at the time of the visit.
- If you have not met your deductible: You pay $100, the full allowable amount for the visit. You pay $20 at the time of visit and after cleared through insurance, you are billed for remaining $80.

Copayments (or co-pays) can vary for different services within the same plan, ex. Primary Care Provider visits compared to visits to specialists. The co-pay is due at each appointment. Please note, if a client misses four co-pays, then sessions will be suspended until the balance is paid off.

Coinsurance

The percentage of costs of a covered health care service you pay (ex. 20%) after you have paid your deductible.

For example, your health insurance plan's allowed amount for an office visit is $100 and your coinsurance is 20%.

- If you have paid your deductible: You pay 20% of $100, or $20. The insurance company pays the rest.
- If you have not met your deductible: You pay the full allowed amount of $100.

Please note, if a client misses four coinsurances, then sessions will be suspended until the balance is paid off.

Billing Process

Deductibles and coinsurance are not computed until insurance has been billed, and they send an Explanation of Benefits, which shows any portion paid by insurance, adjustment amount, and the portion that is the client's responsibility. Since deductibles and coinsurance are calculated by the insurance company after a session has been completed and billed, the amount owed is not known for up to several weeks and the claims, are often paid out of order from the date the sessions occurred. Thus, after ending therapy ends, there is still often a balance due. Please note, if a client balance reaches $400, then sessions will be suspended until the balance is paid off.

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Client Name

Client or Guardian Signature & Date