EOP and EOB Overview

This document provides an overview of Explanation of Payment and Explanation of Benefits for CSRs

Contents

Explanation of Payment

The Explanation of Payment (EOP) provides important information regarding the adjudication of claims. The EOP is typically sent to the provider and details paid, denied, or pending claims.

Is the EOP a Check?

Whether or not the EOP includes a check depends on whether the provider has set up a form of Electronic Funds Transfer (EFT). If the provider has EFT, the EOP may have an *image* of a void check for informational purposes. If the provider does not have an EFT, however, the EOP may include a legitimate check.

Provider Claim Summary

The EOP includes a Provider Claim Summary. This section of the EOP gives the provider import adjudication information, including reason and remark codes. These codes and their descriptions are accessible to CSRs via our software, and may allow you to better assist providers with claim inquiries.

The image below is an example of what a Provider Claim Summary in an EOP may look like.

PROVIDER CLAIM SUMMARY

Dates of Service From	To	Procedure	No. of Units	Amount Billed	Allowed	Paid	Patient Responsibility	COB	Not Covered	Withhold	Adjustment Reason	Remarks
Patient: E123456789012 SMITH JOHN					Provider: 0000000000 PRIVATE PRACTICE				Member: E123456789012 SMITH JOHN			
Interest:					Claim ID: 000000000000000				Patient Account Number: ABC123			
06/24/19	06/24/19	99213	1	106.00	38.12	38.12	0.00	0.00	67.88	0.00	CO-45	N381
Total for Claim				**106.00**	**38.12**	**38.12**	**0.00**	**0.00**	**67.88**	**0.00**		

Adjustment Reason Codes

Code	Description
CO-45	Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.

Remarks Codes

Code	Description
N381	Consult our contractual agreement for restrictions/billing/payment information related to these charges.

Explanation of Benefits

An Explanation of Benefits (EOB) is a statement from a health insurance plan describing what costs it will cover for medical care or products a member has received. The EOB is generated when a provider submits a claim for the services they provided. EOBs are typically detailed and may identify the individual who received care, the clinician who provided care, and information about the services provided.

Is the EOB a Bill?

EOBs frequently cause confusion because they closely resemble medical bills. However, it is simply a statement of the medical services a member received and details on cost sharing between the plan and Member. EOBs are not bills and are not intended to be used for payment.

Any portion of the medical expenses not covered by the insurance company, such as a deductible or a co-pay, will be billed by the provider and should be paid directly to the provider.

What is the Purpose of an EOB?

The primary purpose of EOBs is to verify services to curb health care fraud. Additionally, they are a tool for showing members the value of their health insurance plan and how much money they may have in healthcare related accounts or how close they are to meeting a deductible.

How to Read an EOB

EOBs state the costs associated with care, but they are not bills. Many insurance companies use similarly formatted templates for their EOBs.

A typical EOB will be four to five pages long and be arranged in the following manner.

Page 1

- Patient details
- Medical services provided to the member and by whom
- Amount billed: Cost of services
- Discounts: Any money the member saved by accessing care or medical products from within the plan's network of providers
- Amount paid by the health insurance plan
- Amount not covered: What costs the health plan did not cover
- Amount that may have been paid from spending accounts, such as a health reimbursement account (HRA), if applicable
- Any outstanding amount the member may be responsible for paying

Page 2

Contains a glossary of the terms and definitions included in the EOB, as well as instructions for how to appeal a claim, if necessary.

Page 3

Provides more specific details about the cost of the care provided to the Member. It may also reflect what portion of out-of-pocket medical expenses count toward the annual deductible.

Page 4

May include language assistance instructions, as well as more specific details about filing an appeal in the Member's state of residence.

Additional Resources

The Center for Medicaid and Medicare Services have created the below document to assist customers with reading an EOB. Feel free to review the document to help familiarize yourself with different types of EOBs.

PDF: Reading your Explanation of Benefits