

TAKE ACTION

Read Your Explanation of Benefits Like a Pro

Understanding your explanation of benefits (EOB) is one of the simplest ways to stay on top of your health care spending. Although it looks like a bill, an EOB is just a summary of how your insurance processed a recent claim. Reviewing it helps you confirm charges, verify coverage and avoid paying more than necessary.

Why Reading Your EOB Matters

Your EOB shows what your provider billed, what your insurance covered and what you may owe. Checking it regularly helps you catch errors, such as duplicate charges or services you didn't receive, and keeps you aware of your deductible and out-of-pocket totals. This information helps prevent surprises when claims are processed.

How to Read an EOB

Knowing the following key sections can help make EOBs far less intimidating:

- **Provider charges**—The amount billed by your doctor or facility
- **Allowed charges**—The discounted rate your plan has negotiated
- **Paid by insurer**—The amount your insurer covered

- **Patient balance**—The amount you owe, including any copay, coinsurance or deductible
- **Noncovered service**—A service, item or supply your plan doesn't include
- **EOB code**—A two- to five-digit alphanumeric identifier that explains why a claim has been adjusted

Understanding these parts helps you spot issues quickly and ensures you pay only what you truly owe. It's also important to verify that the patient's name, the provider seen and the service date are accurate.

How Reviewing EOBs Saves Money

Checking your EOBs regularly helps you avoid:

- **Overpaying**, by confirming the charges before you pay a provider's bill
- **Duplicate or incorrect charges**, by identifying cost mistakes early
- **Unexpected costs**, by seeing why something wasn't covered, while you can still appeal
- **Billing confusion**, by knowing what insurance paid versus what you owe

What to Do When You Receive Your EOB

Review each EOB as soon as it arrives and compare it with your provider's bill. If something doesn't look right, reach out to your insurance company or the provider's billing office.