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## **Insurance Terminology Continued...**

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*Author's note:* I would like to take this opportunity to thank all of you who have responded to my articles this year. It has been motivating and wonderful to know that I have been able to help so many find answers to their insurance billing and reimbursement questions, situations and dilemmas.

And to hear of your successes and new beginnings always excites me, to the point that it makes me feel as though I was just beginning my own business all over again. I wish to extend to each of you my wishes for a safe, healthy, rewarding and happy holiday season! In the last issue, we only covered insurance terminology from A - I, so it now seems appropriate to complete terminology discussion, taking you from I - W.

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- 1. Interim Report:** Report to an insurance company (or attorney upon request) to update a patient's condition. (Send copy to physician.)
  
- 2. Judge of Compensation Claims (JCC):** A workers' compensation judge is appointed by the governor per each district, to oversee and rule on workers' compensation cases, filed on behalf of injured employees. (Each state may have different rules regarding this; check your local workers' comp. or dept. of labor division.)
  
- 3. Legal Suit:** A lawsuit whereby the plaintiff's attorney files suit or charges against the defendant on behalf of his/her injured client, the plaintiff, to recover damages and/or to continue medical payments to providers. (The defense attorney defends the insurer, or the entity being sued.)
  
- 4. Letter of Referral:** This is the same as an MD's prescription, but comes from a chiropractor or other non-MD referral. Sometimes letter of referral refers to a physician referring a patient to another specialist for an evaluation or a second opinion.

**5. Letter Carrier:** The most wonderful aspect of this business! The financial rewards of your work, and determination come through the door with your letter carrier. We have had the best of them! Our mail carriers have stated numerous times that they love delivering mail to our office, stating that it is the most enjoyable segment of their routes. (You have to make the business of insurance fun or it's not worth it!)

**6. Major Medical:** Health insurance, sometimes referred to as catastrophic coverage for hospital and/or medical care. Also sometimes referred to as private insurance. Deductibles; limits; percentages of copay; health/prescription; dental/vision; and other forms of coverage vary depending on the specific insurance company. Some states have mandated insurers to include certain conditions and certain limits for coverage.

**7. Managed Care Arrangements/Organizations:** Arrangements made between insurance companies and employers that must meet state regulations. These arrangements are made for the purpose of closely monitoring costs of health care providers' treatment of specific disorders, and requiring pre-certification prior to hospital admission, surgeries and requires referrals to other specialists, from within the arrangements by the gatekeeper or case manager. This arrangement has been a cause for concern throughout our nation, as many consider this form of health care managed money, not managed care. In the last few years (with much complaining from physicians, patients and the news media), managed care organizations have seemingly become more conditioned to the wants and needs of those they serve.

**8. Massage Therapy:** Manipulation of soft tissue by kneading, friction, effleurage, petrissage, or tapotement of the soft tissues, including muscles, tendons, ligaments, fascia and connective tissue, for increasing circulation; reducing toxins from the lymphatic system; providing oxygen and nutrients to damaged or weakened muscle areas; and reducing spasms that cause pain and discomfort. Therapy may be aided by hydrotherapy, thermal therapy, use of electrical or mechanical devices, or the application of chemical or herbal preparations. Note: This may not be the exact definition for each state. As always, check your state's laws, rules and regulations.

**9. Massage Therapist:** A licensed massage therapist is a person trained and licensed by the state to perform massage therapy services for compensation. In many states, more now than ever, a massage therapist must be licensed. "Licensed Massage Therapist" is a title preferred and even legalized in some states, while other massage professionals use different titles. The title of "Bodyworker" is used in many places as well. Criteria for licensure or certification varies from state to state. The National Certification Board For Therapeutic Massage and Bodywork (NCBTMB) has now certified many therapists on a national level.

**10. Medicare A & B:** A federal health insurance plan set up through the Social Security system, primarily for the elderly, blind and certain disabled people. Medicare comes in two parts: Part A, Hospitalization; and Part B, Major Medical.

**11. Medicare Supplemental Plan:** An insurance plan that covers the Medicare patient's deductible and co-payment obligations. These policies are often referred to as "Medi-gap." Medicare supplement programs frequently are not available for a disabled person who qualifies for Medicare but is under the age of 65; programs also are usually not available for the average person.

**12. Medicaid:** A federally aided, state-operated program of health care assistance, provided primarily for the elderly, indigent, disabled, blind, or families with dependent children. The Department of Social and Welfare Services is the one to turn to for any assistance here. Also known as the Medical Assistance Program.

**13. Medically Necessary:** Diagnosis and procedures, commonly accepted to be necessary for the proper treatment of the stated diagnosis. All insurance cases must be medically necessary, or the insurance company does not have to pay for the services. (Contact me for a complete report of most insurers' definition of Medically Necessary).

**14. Med Pay:** Additional coverage available under some clients' Personal Injury Protection (PIP) policies, to cover the additional 20% of the medical and/or other bills or for the amount over and above the basic PIP coverage. (Check with your auto insurance agent for a complete definition of this).

**15. Modalities:** Mechanical devices or methods used to assist in the treatment during the procedure. Some examples are: hot or cold packs; infrared; paraffin baths; or electric vibration methods/percussion.

**16. MRI (Magnetic Resonance Imaging):** A method used by physicians to evaluate the patient's problem or condition in a more detailed manner (non-radiation imaging). Used primarily to determine soft tissue injury.

**17. New Patient:** A patient making a visit to your office for the first time. The visit necessitates the creation of the patient chart and ledger card, unless the patient has not received treatment in the last three years from either the original physician or a member of the same specialty in the same group practice.

**18. No Fault:** In states carrying this type of insurance, automobile insurance covers the medical expenses for you or your passengers in an accident, no matter who is at fault. Same as Personal Injury Protection (PIP) insurance.

**19. Nonphysician Services:** Services performed for or on the patient by someone other than the physician. Examples: massage, physical, speech or occupational therapists.

**20. Nonparticipating Physician:** A physician or provider who has not agreed to accept the insurance company's pre-determined, allowed rate as payment in full for covered services performed, and therefore, expects to be paid the full amount for for the services provided.

**21. Nonparticipating Provider:** A health care provider who has not signed a participating provider contract with an insurance company, and bills the patient for the difference between the amounts charged and the insurance company's predetermined allowed fee.

**22. On-The-Job Injury:** Injury sustained by employee while working. Most often covered by a state workers' compensation system.

**23. Participating Physician/Provider:** A physician who has entered into a contract with an organization, the government, or an insurance company to provide medical care to enrolled subscribers. In the contract, it is agreed that the physician will accept the insurance company's approved fee for each medical service and will bill the subscriber for only the deductible, subscriber co-payments, and any other uncovered services as stated in the subscriber's policy.

**24. Permanent Total Disability:** A legal term referring to an injured employee's, diminished capacity to return to work to the previously held job, or to the work force in general. Many who are at this level qualify for Social Security Disability. In the Florida Workers' Compensation System, this means that the individual cannot sustain a minimum of four hours of uninterrupted employment. (Social Security disability compensation cannot be applied for or obtained until the disabled person has been unemployed for two consecutive years). Young people who have never worked and who are classified as permanently disabled must also be disabled for two consecutive years before they are eligible for Social Security disability payments. Payments are most often paid retroactively.

**25. PIP (Personal Injury Protection):** Automobile insurance to protect you in the event of an accident, regardless of fault. Many states say that you must carry this insurance protection, in the event you cause injury to another party. PIP coverage will usually cover 80% of medical bills. Many policyholders are opting for the \$2,000 deductible. Watch out for this, or you will be the one not being paid or waiting for payment if the deductible has not been met by the time the patient is referred to you for services.

**26. Point-of-Service Plan:** A Blue Cross/Blue Shield managed care nationwide group plan that combines the best features of traditional insurance, preferred provider organizations, and HMO plans. Point-of-service plans provide coverage for a full range of inpatient and outpatient services.

**27. PPO (Preferred Provider Organization):** An open-ended, non-HMO-affiliated plan that provides more patient management than is available under regular medical insurance plans. PPOs contract to provide medical care to patients for a reduced rate. A company, employer, union or other health protection group signs a contract with health care providers of goods and services. These providers contract for discounted rates and are paid as such by the carriers.

**28. Prescription:** A prescription or referral letter must come from a MD or chiropractor for the purpose of treating a diagnosed disease, illness or injury. Only a physician can determine if the case is a medically necessary case, and insurance companies most often do not reimburse for non- medically-determined cases.

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*Note:* Those of you who are involved in legislative issues may want to see the text of a law passed recently here in Florida. The law states, in essence, that insurance companies will reimburse Florida LMTs with a doctor's prescription, "If the policy covers the services of a massage therapist and, if the prescription indicates the number of visits and the duration of treatment, and if prescribed by certain designated physicians."

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**29. Primary Carrier:** The insurance company with primary responsibility for paying the majority of claim after the deductible has been met. Example: In an auto accident case, the auto insurance carrier is the primary carrier. This must be utilized before the patient's major medical policy can be billed. With Medicare recipients, Medicare is usually the primary carrier. However, if the person on Medicare is employed by an employer with over 50 employees and is insured under the employer's group plan, the primary would be the group policy. Medicare is usually, but not always, the primary, and the medi-gap or other supplemental coverage is most always the secondary payer. Neither of the above reimburse LMTs,

except in certain specific circumstances.

**30. Procedures:** The hands-on therapy or treatment performed. Massage therapy and manual therapy techniques are examples of procedures.

**31. Procedural Code:** A statistical code system designed to communicate procedural data to insurance companies or other third-party payers. CPT™ coding systems are published by the American Medical Association, such as code 97140: Manual Therapy Techniques.

**32. Prognosis:** The patient's expected progress or condition during/after therapy. A massage therapist is not qualified to give a prognosis. If, and when this is requested of you, have the requesting party refer the question to the attending physician for his/her report.

**33. Progress Report:** A detailed report or narrative filed to report any significant change in the patient's medical status. Progress reports are used to relate to the insurance company, attorney, and or the physician the patient's condition and treatment; it also serves as a daily communicative progress notes in regard to the patient's treatment for that visit. It is not in the scope of massage therapist licensure to report patient disability or return-to-work status.

**34. Provider:** A physician or any recognized practitioner providing skilled services, pursuant to the prescription, supervision or direction of a physician.

**35. Referring Physician:** The physician who refers the patient to another facility, physician, or health care provider for consultation or treatment.

**36. Secondary Carrier:** The insurance company or carrier that pays the remaining 20%, and sometimes the deductible. The secondary carrier may also continue coverage when other policy benefits are exhausted. See the explanation of Primary Carrier above.

**37. SOAP Charting Format:** A medical charting system, in which: S = Subjective (what the patient says, or subjective impressions). O = Objective (what the provider's findings are, or clinical data). A = Assessment (the and diagnosis, or what the patient's condition is). P = Plan for treatment, (further studies and suggested treatment). Note: Not noted in the usual SOAP format, but nonetheless important, is Functional Outcome: What the patient can do (or expect to do) because of the treatment rendered.

**38. State Compensation Board:** An administrative agency set up by each state's legislature to oversee workers' compensation claims.

**39. Subrogation:** The assumption of an obligation for which another party is primarily liable.

**40. Subscriber:** The insured (the policyholder), sometimes also referred to as the member.

**41. Super-Bill:** A pre-printed encounter form that lists all types of services and procedures, along with the corresponding codes. This may be sent to some insurance companies as a bill in place of the HCFA 1500 forms. However, many carriers and workers' compensation carriers do not accept this form, and only accept the universal HCFA 1500 Forms.

**42. Temporary Disability:** A workers' compensation designation that describes the inability of a worker to perform usual duties for a limited time, with the expectation of return to work after a short leave for recovery.

**43. Third Party:** Someone with no direct legal or binding interest in a case.

**44. Third-Party Payment:** Payment made from an insurance company on behalf of a claim.

**45. UCR Charges:** Usual, Reasonable, and Customary charges. The amount the insurance company will allow or approve for a given procedure are calculated as usual, customary and reasonable charges. This is based on the usual and customary charges for like services in a designated geographical region where the service is provided. UCR fees are set by utilizing the Medicare Fee Schedule.

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*Note:* RBRVS also comes into play here, but that's for a later discussion.

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**46. Underwriter:** The insurance company or government agency that sets all policy benefits and establishes all procedural rules for determination of the payment of benefits.

**47. Uninsured Motorist Protection:** Optional coverage in an auto policy that protects you, your family and your passengers in the event of bodily injury, sustained in an accident for which an unidentified or under insured driver is legally responsible.

**48. Vocational Rehabilitation:** Training in new job skills to enable a person receiving workers' compensation or disability funds to become gainfully employed. Also applies to anyone else needing rehabilitation for a particular injury or illness.

**49. Workers' Compensation:** A system operating under varying laws in each state. Workers' comp. pays workers for medical care expenses and lost wages with regard to work-related accidents or illnesses.

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*Disclaimer:* None of the information provided here is to be construed as legal advice. Always refer to proper authorities, such as attorneys and tax accountants, when working within the insurance or legal arenas.

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Click [here](#) for more information about Vivian Madison-Mahoney, LMT.



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