

Adjudication (of claims)

When a claim is adjudicated, the payer (or possibly the Third Party Administrator) applies a series of payment rules such as:

- the subscriber or beneficiary's eligibility to receive benefits
- whether the services provided are covered under the subscriber's plan
- the allowable charge per the contract between the care provider and the payer
- the percentage of the allowable charge paid according to the contract
- the application of the terms of the subscriber's plan insofar as deductibles, co-insurance, co-pays

Once these rules have been applied and a benefit or denial, or combination of the two, has been determined, the claim has been adjudicated.

Some payers currently provide electronic time-of-service adjudication which allows a care provider to collect the patient's portion of the payment during the check-out process.