

## Introduction to Medical Insurance and Pharmacology

This course covers two important areas of knowledge that are required for employment in the medical coding and billing field: medical insurance and pharmacology. Medical Insurance helps us pay for office visits, tests, drugs, and surgical procedures. Understanding how medical insurance works will not only help those who are employed in the healthcare industry but every person who needs medical care!

Familiarity with different types of drugs (or pharmaceuticals) and how they work is the second area we will cover in this course. We are given prescriptions for drugs to help us when we are ill or have other medical problems. Medical coders and billers need to know what the different types of drugs are and how these affect the coding and billing process.

### Competencies:

Upon completion of this course, you will be able to:

- Describe health insurance types, coverage, and classifications to determine what policies and procedures need to be used for medical billing.
- Complete an outpatient insurance claim form.
- Describe the basics of pharmacology to accurately code and bill medical patient information.

Read the [Syllabus](#) to understand the expectations for this course. The instructor will go through the syllabus and review the textbook with you on your first day of class.

In the left navigation bar is a Course Tools menu. It provides information about what tools you need for the course and how to navigate in Canvas.

Start the course with **Module 1** by clicking on the module icon below. You can also click on the **Modules** link in the left navigation bar. Remember to complete each module in the order listed below.

[Module 1](#)

[Module 2](#)

[Module 3](#)

### Module 1: Introduction

You fall in the shower and break your tibia. You need surgery to repair the fracture. Have you ever wondered how your doctor's bill was calculated or why your insurance only paid a portion of the physician's or hospital's fee? Do you understand what deductibles, coinsurance, and managed care are? This module will discuss these topics and more including the various types and classifications of insurance and how benefits are determined. This knowledge is necessary for your employment as a medical coder and biller and in your personal life as well!

At the end of this lesson, you will be able to:

- Identify basic health insurance concepts.
- Describe the types and classifications of insurance coverage.
- Explain how benefits are determined and verified by an insurance company.
- Describe what fee schedules, deductibles, and co-insurance payments are needed in order to correctly bill an insurance company.

## Module 1: Instructions

### For this activity, you will need to:

1. Read and study Chapter 20, "Basics of Health Insurance" in Kinn's [The Medical Assistant, An Applied Learning Approach](#), Twelfth Edition," by Proctor and Adams. It begins on page 351 of the textbook. You will need to know the following information in this chapter to successfully pass this module:
  - A. health insurance vocabulary contained in the chapter including all terms in bold-face type located throughout the chapter
  - B. cycle of health insurance
  - C. types of health insurance
  - D. types of insurance benefits and how benefits are determined
  - E. fee schedules and deductibles
  - F. verification of benefits
2. View and study the [Chapter 20 PowerPoint Presentations](#). Do not print these out in the classroom. If you wish, you may print them at home or in a computer lab.
3. Complete the [Chapter 20 Matching Exercise](#). Study any terms missed.
4. After completing the Chapter 20 Matching Exercise, move on to the Study Aids.

## Module 1: Study Aids

Use the resources listed below for extra practice.

- [Chapter 20 Review Activities \(Links to an external site.\)](#)[Links to an external site.](#) - There are several activities, such as Crossword Puzzle Challenge and Types of Health Insurance and Benefits Challenges 1 and 2. **DO NOT** do the Medical Assistant's Role and the Spelling Challenge activities.
- [Chapter 20 Quiz \(Links to an external site.\)](#)[Links to an external site.](#) - Use this practice quiz to help you study.

For extra practice, you can use Study Stack to create flash cards to help you study terms that you have trouble remembering.

- [Study Stack \(Links to an external site.\)](#)[Links to an external site.](#) - Free website that allows you to build your own flash cards or search for already created flash cards.
- [Study Stack Apps \(Links to an external site.\)](#)[Links to an external site.](#) - If you have a mobile device, you might want to use the app to help you study while on the go.

## Module 1: Required Assignments

### Required Assignments:

- Complete the [Chapter 20 Matching Exercise](#). Study any terms missed.
- Take the [Module 1 Exam](#). You must score 80% or higher to receive a passing grade for this module. You may take the exam twice if needed. The highest score received will be recorded in the Grade Book.

## Module 2: Introduction

Medical bills. We all get them. This module covers the guidelines for completing the CMS 1500 Health Insurance Claim Form which is used by most health insurance payers for claims submitted by physicians and suppliers. You will understand how electronic claims work and know methods of preventing claims rejections. You will learn the difference between a “clean” and “dirty” claim. This information is interesting, useful, and necessary in today’s medical offices!

At the end of this lesson, you will be able to:

- Explain the various policies and procedures when billing an insurance claim.
- Gather and input patient, provider, and insurance information in the form.
- Gather and input the names of the medical facility and provider information, including date(s) of service.
- Correctly code patient chart notes to input ICD-9 or ICD-10, CPT, and/or HCPCS codes as needed in a CMS 1500 Insurance Form.

## Module 2: Instructions

**For this activity, you will need to:**

1. Read and study Chapter 21, "The Health Insurance Claim Form" in Kinn’s The Medical Assistant, An Applied Learning Approach, Twelfth Edition, by Proctor and Adams. It begins on page 375 of the textbook. You will need to know the following information in this chapter to successfully pass this module:
  - A. insurance form vocabulary- focus on bold-faced words
  - B. types of insurance claims
  - C. the CMS-1500 health insurance claim form: know what type of information is needed for each block in the form
  - D. how to prevent claim rejection
  - E. intelligent character recognition
  - F. checking claim status
  - G. how to complete a CMS-1500 health insurance claim form using source documents
2. View and study the [Chapter 21 PowerPoint Presentations](#). Do not print this in the classroom. If desired, you may print this at home or in the computer lab.
3. Move on to the Study Aids.

## Module 2: Study Aids

Use the resources listed below for extra practice.

- [Chapter 21 Review Activities \(Links to an external site.\)](#)[Links to an external site.](#) - There are several activities, such as Insurance Claim Form Challenge and Spelling Challenge. **DO NOT** do the Medical Assistant's Role and the Word Search activities.
- [Chapter 21 Quiz \(Links to an external site.\)](#)[Links to an external site.](#) - Use this practice quiz to help you study.

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- [Study Stack Apps \(Links to an external site.\)](#)[Links to an external site.](#) - If you have a mobile device, you might want to use the app to help you study while on the go.

## Module 2: Insurance Form Practice

### Practice Instructions:

1. Open the [CMS-1500 Health Insurance Form](#)  
Settings
  - [Preview](#)
  - [Download](#)
  - [Alternative formats](#). **Note:** You will need your medical coding books to complete these assignments.
2. Click File/Save As... and navigate to your flash drive.
3. Save the document as **Module2Ex1**.
4. Open **Module2Ex1** on your flash drive and fill out the form using [Source Document 1](#)  
Settings
  - [Preview](#)
  - [Download](#)
  - [Alternative formats](#). Once complete, save the form.
5. Check your work against the [Source Document #1 - KEY](#)  
Settings
  - [Preview](#)
  - [Download](#)
  - [Alternative formats](#)
6. Talk to your instructor if you have any questions about the assignment.

## Module 2: Required Assignments

### Required Assignments:

- Complete the [Module 2: Practice Assignment](#) and follow the instructions carefully.
- Complete the [Module 2 Assignment](#) and follow the instructions carefully.
- Take the [Module 2 Exam](#). You must score 80% or higher to receive a passing grade for this module. You may take the exam twice if needed. The highest score received will be recorded in the Grade Book.

## Module 2: Practice Assignment

### Practice Instructions:

1. Open the [CMS-1500 Health Insurance Form](#)  
Settings

- [Preview](#)
- [Download](#)
- [Alternative formats](#)

. **Note:** You will need your medical coding books to complete these assignments.

2. Click File/Save As... and navigate to your flash drive.
3. Save the document as **Module2Ex2**.
4. Open **Module2Ex2** on your flash drive and fill out the form using [Source Document 2](#)

Settings

- [Preview](#)
- [Download](#)
- [Alternative formats](#)

to complete the assignment. Once complete, save the form.

5. Check your work against [Source Document #2 - KEY](#).

Settings

- [Preview](#)
- [Download](#)
- [Alternative formats](#)

6. If you have any questions, talk to your instructor.

## Module 2 Assignment

**Assignment:** Follow the instructions below:

1. Use the [CMS-1500 form](#) and [Source Document 3](#)

Settings

- [Preview](#)
- [Download](#)
- [Alternative formats](#)

to complete your graded assignment.

2. Save the document as **Module2Ex3** to your flash drive. Save the file in PDF form.
3. Once you have completed your assignment, log back onto Canvas and return to this assignment and follow the instructions below to upload your completed work.

**Submitting a document assignment:**

1. After reading and completing the assignment, click the **Submit Assignment** button.
2. Click the **File tab**, and click the **Browse** button.
3. Navigate to your file and select it.
4. Click **Submit Assignment** button at the bottom.

## Module 3: Introduction

Most of us will be given a prescription drug by our physician. We want to know its purpose, how it works in the body and why, and if it will negatively react with other medications we are taking. We wonder why the pharmacist will make us show a driver's license for one drug but not another.

Pharmacology is the study of drugs and how they interact with our body. This module will discuss controlled substances, factors that affect drug action, and classifications of drugs. You will learn the difference between an anticoagulant and anticonvulsant and a decongestant and expectorant.

Ready, set, go!

At the end of this lesson, you will be able to:

- Identify the different drug classifications and the purpose of prescription drugs.
- Describe the regulations and rules for controlled and regulated (DEA) substances.
- Differentiate between a drug's chemical, generic, and trade names.
- Describe the clinical use of drugs.
- Describe pharmacokinetics.
- Identify factors that affect drug action within the body.

## Module 3: Instruction

**For this activity, you will need to:**

1. Read and study Chapter 33, "Principles of Pharmacology" in Kinn's [The Medical Assistant, An Applied Learning Approach](#), Twelfth Edition," by Proctor and Adams. It begins on page 633 of the textbook. You will need to know the following information in this chapter to successfully pass this module:
  - A. pharmacology vocabulary contained in the chapter including all terms in bold- face type located throughout the chapter
  - B. government regulation of drugs
  - C. basic pharmacology knowledge and principles
  - D. clinical uses of drugs
  - E. drug reference materials
  - F. factors affecting drug action
  - G. documents
2. View and study the [Chapter 33 PowerPoint Presentations](#). Do not print this in the classroom. If desired, you may print this at home or in the computer lab.
3. Move on to the Study Aids.

## Module 3: Study Aids

Use the resources listed below for extra practice.

- [Chapter 33 Review Activities \(Links to an external site.\)](#)[Links to an external site.](#) - There are several activities, such as Matching and Fill in the Blank.
- [Chapter 33 Quiz \(Links to an external site.\)](#)[Links to an external site.](#) - Use this practice quiz to help you study.

For extra practice, you can use Study Stack to create flash cards to help you study terms that you have trouble remembering.

- [Study Stack \(Links to an external site.\)](#)[Links to an external site.](#) - Free website that allows you to build your own flash cards or use already created flash cards. Use the **REVIEW** section at the end of the chapter to make your flash cards.
- [Study Stack Apps \(Links to an external site.\)](#)[Links to an external site.](#) - If you have a mobile device, you might want to use the app to help you study while on the go.

Required Assignments:

- Complete the [Chapter 33 Matching Exercise](#). Study any terms missed.
- Take the [Module 3 Exam](#). You must score 80% or higher to receive a passing grade for this module. You may take the exam twice if needed. The highest score received will be recorded in the Grade Book.

## Module 3: Required Assignments

Required Assignments:

- Complete the [Chapter 33 Matching Exercise](#). Study any terms missed.
- Take the [Module 3 Exam](#). You must score 80% or higher to receive a passing grade for this module. You may take the exam twice if needed. The highest score received will be recorded in the Grade Book.