

EOBS VS ERA

This PDF contains educational content related to medical billing, including real-world concepts, workflows, denial handling, AR calling, and coding basics.

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Chapter 6: What is EOB?

EOB means Explanation of Benefits, An **EOB** is a statement sent to a patient by their insurance company explaining how a claim was processed.

It shows:

1. **Total charges for the service**
2. **Amount covered by insurance**
3. **Patient responsibility (co-pay, deductible, coinsurance)**
4. **Reason for denial (if applicable)**

Example of an EOB:

Service	Provider Charge	Allowed Amount	Insurance Paid	Patient Owes
Office Visit (99213)	\$150	\$100	\$80	\$20 (Co-pay)

What is a Electronic Remittance Advice (ERA)?

An **ERA** is similar to an EOB but is sent to the **provider** electronically instead of the patient.

It details:

1. **Payments made to the provider**
2. **Adjustments (e.g., contractual write-offs, denials)**
3. **Reason codes for claim denials**

Example of an ERA Entry:

Claim #	Billed Amount	Allowed Amount	Paid Amount	Denial Code
12345678	\$200	\$150	\$120	CO-45 (Contractual Adjustment)

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