

Dermatology Coding Alert

Billing Tip of the Month: Follow These 6 Steps to Stay On Top of Your Denials

Face your fears and grab the denials bull by the horns

If you establish a systematic protocol to track all your denials, you should be able to turn those rejections into revenue.

Taking care of your billing procedures and the subsequent denials are the key to controlling your practice, says **Carole Violette, CPC, CDC**, clinical manager at Yakima Valley Dermatology/Derm Attractions in Yakima, Wash.

Best practice: Many billing experts recommend that you focus your denial management process by keeping a running list of your "Top 10" denial reasons. This list can serve as your guide to systematically address and fix the causes for denials in your office, says **Carrie Ontiveros, CPC**, coding specialist with the Wichita Clinic in Wichita, Kan.

Use these six expert tips to compile the information you need for your Top 10 list:

1. Update your list every month. Denial management is an ongoing process, so the top 10 denials one month may not be the same next month, says **Mike Edmonds**, owner and executive director of Physicians Financial and Management Services LLC in Cordova, Tenn. For example, one month you may see a trend of denials for complex repairs from one payer, whereas the next month, you will see a stream of modifier -25 denials from the same payer. If you keep track, it is easier to stay on top of the denial patterns by procedure and by payer, coding experts say.

2. Focus on total and partial denials. Denials are not just claims that come back completely unpaid. You should also pay close attention to the reasons why some claims come back partially paid or underpaid, Edmonds says. So if you're keeping track of denials, create another category to track partial denials by procedure, reason for partial denial, and carrier.

3. Put EOBs on a pedestal. Everyone in the billing office can speculate as to why a claim was denied, but only the EOB provides the carrier's ultimate reason. Make sure the billers who read your EOBs do more than enter charges, Edmonds says. They need to analyze your EOBs to accurately understand the reasons for denial and partial payment.

4. Call about unpaid claims at 45 days past due. Run a report every month listing all claims 45 days old that have had no activity in the last 30 days. Run the report based on balance size, from largest to smallest, and then have your billing staff call each payer to inquire about the claims, Edmonds says.

5. Look for trends and patterns. Whether you're analyzing EOBs, calling about unpaid claims, or reading monthly reports, look for unusual trends or patterns in denials. If a type of denial (from a specific payer, on a certain procedure, from a given provider, etc.) begins to form a pattern, "then it's a problem," Edmonds says.

6. Track denials from various perspectives. Tracking denials is a three-pronged approach, billing experts say. The staff that posts payments, the A/R follow-up staff and your electronic claims software should all track reasons for denials, she says. While EOBs offer the carrier's final reason for denial, other issues within these three office areas can contribute to that ultimate denial.