

Optometry Coding & Billing Alert

Billing Basics: Fight Underpayments With This Simple 4-Step Trick

There's something you can do about these annoyances -- today!

You can win: Beat carrier underpayments simply by keeping all your fee schedules on file, says **Annissa White**, president of Healthcare Management Consultants & Supply in Millburn, N.J. To identify and appeal underpayments, White recommends this simple four-step trick:

1. Call and request the fee schedules from each of the insurance companies you contract with.

Individual carriers should automatically send you copies of their fee schedule when you first contract with them, but if not, be sure to request this information, says **Janelle Lemire**, office manager for Peter Pegolo, OD, in West Hartford, Conn.

2. Set up a notebook or spreadsheet that separates the fee schedules by specific carrier names (for example, Aetna Commercial and Aetna Managed Care will each have its own schedule and section).

This organization will provide you with an easy reference anytime you suspect an underpayment.

Lemire strongly encourages you to keep track of how often you contact a carrier that you are having underpayment problems with. "Use a desk calendar to make a note every day as to whether you've contacted a given carrier about an underpayment and whether they have contacted you," she says.

3. Compare what you actually got paid for a service to the contracted fee, so you can easily identify when a carrier pays you less than it is supposed to.

If your office billing system allows you to use different fee schedules for different insurance companies, then any payment for less than the amount owed signals a problem area. However, billing for exactly what you think the company will pay limits your chance of collecting a higher fee when the allowances are increased. And sometimes, multiple fee schedules can cause multiple problems if multiple (primary, secondary and/or Medigap) insurance companies are involved in paying for a visit. This is an area each office has to evaluate to know what's best for its situation.

Note: Read your explanation of benefits carefully for provisions or mistakes that could cause underpayment.

4. Appeal underpaid claims by sending a copy of the carrier's fee schedule along with your appeals letter. Carriers will have a hard time arguing with a fee schedule they sent you that's printed on their own letterhead.

A fee schedule notebook will arm you to fight underpayments because carriers have "given you proof for your appeals," White says. You'll pack an extra punch by sending a copy of the carrier's fee schedule to prove without a doubt that they underpaid you according to their own contracted fees. In addition, White advises her clients to do the following at least once a year:

1. Identify underpayments by taking your monthly accounts receivable report and calculating the amount you should have been paid by each carrier based on the fees listed in your notebook.
2. Check those totals against the actual amount you received, and the difference is your underpayments for the month. The results you get will clue you in on which carriers need to be watched most closely for underpayments. And, you may be able to discern which codes are most commonly underpaid.

Of course, not all underpayments are caused by a negligent or crafty carrier deliberately trying to keep part of your cash. A variety of coding, bundling and other policy rules may come into play. Keeping an eye out for underpayments, however, is an easy way to find money your practice deserves.