

Optometry Coding & Billing Alert

Build a Better Business: Save Hundreds With These A/R Best Practices

Tip: Assign each biller a list of payers to contact each month.

Streamline your collections system and get your deserved money faster with these practice management tips. Optometrists: Clip and give this monthly section to your claims specialist.

Optometry practices know that every penny counts, and submitting a claim is only half the battle. Effective accounts receivable (A/R) management is one of the biggest keys to ensuring your practice receives the reimbursement you're entitled to. If you aren't monitoring your A/R and following up on unpaid claims, then you could be costing your practice hundreds.

Reports Are Key to Evaluating A/R

You can't manage what you can't measure, so you need to produce a variety of reports to help you evaluate your A/R, says **Reed Tinsley, CPA, CVA, CFP**, a healthcare accountant and consultant based in Houston.

Tip: Invest in a good practice management system, and learn all of its capabilities. "Any system can bill, but can it help you collect?" Tinsley asks. Pay special attention to the reporting abilities of the system you use to be sure you get the data you need to manage your practice's A/R, such as the practice's gross collection rate, net collection rate, and average days in A/R for claims. You can then use this information to evaluate the effectiveness and efficiency of your practice's A/R management.

Example: Days in A/R is a single number that tells you on average how long it takes you to get paid after you provide a service. Calculating your days in A/R is a useful process because you can benchmark the time it takes you to collect for services compared to other practices. It also enables you to communicate with your physicians and let them know how long after a procedure or service they'll get paid.

Get help: Additionally, there are clearinghouse services now available that provide powerful claims management functionality to assist practices, in particular for practices that have weaker practice management systems. Look for this when you are shopping for your clearinghouse service.

Set Procedures Mean Fewer Missed Chances

You should have written procedures and policies covering every step of the billing and collections process: the appointment setting, the service provided, the billing, the collection, and the follow-up. Having a set A/R follow-up procedure can help your practice and ease your billing headaches in a multitude of ways.

The main benefit is that a set procedure allows you and the rest of the practice's billing staff "to really learn the ins and outs" of the insurance companies you work with, says **Anne Garrity**, medical collector for Alpine Family Physicians in Lake Zurich, Ill.

"Thus translating into more money being brought into the practice because a collector would know how to have denials appealed correctly, and the billers could go to those collectors with questions about what the carrier covers, which, in turn, creates cleaner claims," Garrity continues.

This also allows the practice to see consistency in employee behavior and actions, to ensure compliance, repeatability,

and replication of actions over time, and to optimize revenue for the practice.

Best practices: Get your claims out the door quickly, and set benchmarks for your claims processing. Tinsley suggests office charges should post in one day, and other services should post within five days. Make sure you keep track of which benchmarks your practice isn't meeting, and determine what the problems are. The longer it takes you to collect, the more likely it is that you won't receive any money.

You should also continually review and monitor your explanations of benefits (EOBs), paying special attention to your denials. You can glean a lot of information from your EOBs, such as how quickly insurers are paying you, whether your fee schedule is adequate, if your coders are coding properly, why insurance companies are denying your claims, and if you're getting paid according to your contracted rates.