

Optometry Coding & Billing Alert

Cash Flow Management: Prepare for 9 Lean Medicare Days

5 strategies keep your cash flowing during September payment drought

If your practice includes many Medicare patients, you may need to make some financial preparations before the last week in September, when Medicare will freeze all payments for a nine-day period.

The **Centers for Medicare & Medicaid Services** states in Transmittal 944 that it will put -a onetime hold on Medicare payments for the period of Sep. 22, 2006, to Sep. 30, 2006. Payment on claims that would have been paid on one of these days will be made on the first day of business of October 2006,- according to the CMS transmittal.

Potential problems: -Cash flow will be an issue during the period. This will also throw off billing timing, referrals to collections, notices to patients concerning outstanding bills, etc.,- says **Quinten A. Buechner, MS, MDiv, CPC**, president of ProActive Consultants LLC in Cumberland, Wis.

Just how much the pay suspension will affect your cash flow depends on your specialty, says **Marvel Hammer, RN, CPC, CCS-P, CHCO**, owner of MJH Consulting in Denver. Specialties such as geriatrics, nephrology, primary care, and general internal medicine will be the most affected by the suspension.

Look at three factors: Whether an office takes special measures will depend on how much Medicare money is in its mix, the anticipated percentage of cash flow drop, and how much cash the office has in reserve, Hammer says.

Ease Suspension Time With 5 Strategies

Consider taking these steps to keep your cash stream from running dry in September:

1. Estimate the amount you could be missing. To get an estimate of how much money you'll have to go without during the suspension, Hammer recommends that you select a similar nine-day window from the previous year. Then calculate how much Medicare money you got during that time period.
2. Look at your accounts payable for late September. Contact an account representative and -make arrangements for delay of payment of any large account,- Hammer says.
3. Slow down your spending. If your practice funds are low already, make sure you only spend when necessary until the pay suspension ends, Buechner says.
4. Ask a local bank to lend the money to the office. -This would at least help you cover large outlays, e.g., payroll, which may be due during that time,- Hammer says.
5. Expedite your bills. -Try to speed up your billing process, and get as many [Medicare claims] as possible paid before the deadline,- Buechner says.

Note: Some billers may know Transmittal 944 as Transmittal 940. However, CMS replaced 940 with 944, which contains some minor clarifications, on May 10. To read a Medicare Matters article on the suspension, visit www.cms.hhs.gov/MLNMattersArticles/downloads/MM5047.pdf.