

# Optometry Coding & Billing Alert

## Consider 3 Key Factors Before Saying 'Yes' to Another Carrier

### Don't take on an additional payer if the hassle will outweigh the payments

When you don't understand the claims filing details you'll commit to and the patients you stand to gain by signing on with a new carrier, you risk causing your practice more harm than good.

"If your coffers are full of patients now, don't be so quick in taking on another health plan until you know ALL of the parameters," says **Maggie Mac, CMM, CPC, CMSCS**, consulting manager with Pershing Yoakley & Associates in Clearwater, Fla. Evaluate the following three main concerns to decide if a carrier contract is right for you:

#### 1. Will we gain many new patients?

You must consider what services you provide and the specific patient populations you consequently cater to in order to know whether a new insurance plan will add new patients and increase revenue, Mac says. Of course, you also need to know the patient profile of the prospective carrier's members.

For instance, if you offer services for senior citizens and there are many senior communities and assisted-living centers near your practice, participating with Medicare would boost your practice's patient count considerably, says **Catherine Brink, CMM, CPC**, president of HealthCare Resource Management Inc. in Spring Lake, N.J.

**Patient-numbers problem:** If you decide to contract with an insurer that doesn't have many members in your geographic area, you won't be in a good position to negotiate fees and other contract details because you don't represent a big chunk of business for the carrier, Brink says. Also, if you arbitrarily contract with many insurance companies - even though they may only provide you with a few additional patients here and there - you'll be hard-pressed to keep track of each payer's billing policies, she adds.

**Bottom line:** The best-case scenario for participating with a carrier that will only afford you a few new patients is to negotiate a stellar contract that will make for smooth transactions.

#### 2. Will the carrier be easily accessible?

Accessibility is important, says **Diana Griffin**, insurance coordinator at the Wolflin Vision Clinic in Amarillo, Texas - the availability of local contacts is one thing her practice considers when deciding on accepting a new carrier.

You should find out whether the carrier under consideration has a local office and an accessible medical director, Mac agrees. In addition, the carrier should offer you a provider representative who's readily available to answer questions and who will come to your office annually to discuss claims filing and contract issues, she adds. "If you can't get problems resolved" quickly and you're forced to conduct all communications via the Internet, you're probably signing on for excessive amounts of hassle.

#### 3. Is the contract good for our practice?

To help ensure a good contract, identify the biggest problems you have with other carriers and take those to the negotiating table, Mac says. For example, you should ask the payer you're considering about its bundling policies, modifier requirements and specialty-specific fee schedule. Here are three important contract details to review:

**Fee schedule.** A contract may say the carrier will reimburse you at 120 percent of the Medicare fee schedule, but from what year? Payment at 120 percent of the 1988 Medicare fee schedule isn't very impressive, Mac says. Double-check

that fees are reasonable for your practice and that you know how the payer will reimburse on codes for which Medicare doesn't list a fee, she says.

**Hold-harmless agreement.** Also known as an "indemnification agreement," this clause in a payer contract states that your providers won't hold the insurance plan liable in the event of a lawsuit involving a patient whose care may have been compromised by the insurance company's coverage decisions, Mac says. Some of these agreements are bilateral, meaning that neither the provider nor the carrier can be held liable in such a case. But this is nonsense, she says. Someone will always be held responsible.

The American Medical Association has been advising providers for years not to accept hold-harmless agreements, she says. And you should also check your malpractice carrier contracts because some have a clause dictating the providers' involvement in a hold-harmless agreement.

**Time components.** You need to examine time requirements both for timely filing deadlines and contract renewal, Mac says. If the contract states you'll have 30 days to file a clean claim, consider whether this is feasible for your practice. Also make sure you ask what the carrier considers proof of timely filing in the event that you file a claim but the carrier insists it never received it.

Some contracts may try to get away with holding you to the same fee schedule for several years, Mac says. Ideally, you should be able to renegotiate every year, she says.