

# Optometry Coding & Billing Alert

## Drag Your Carriers Out of Denial

### Even small optometry practices can track denials - sharing info is key

If you're not a watchdog for your practice's reasons for denial, you run the risk of overlooking big denial trends that equal big-time revenue loss.

Effective denial management is one of the biggest keys to controlling your A/R, says **Terri Fischer, CPC, CMC**, manager with LarsonAllen Health Care Group in St. Louis, Mo. And reasons for denial can change like the weather.

**Take control:** 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.

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 & Management Services LLC in Cordova, Tenn.

#### 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, says Edmonds, who gave a presentation on denial management and plugging revenue leaks at the American Medical Billing Association's annual conference.

#### 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, says **Sherry Face**, claims processor for Holicki Optical in Coldwater, Mich. Make sure the billers reading 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. And the EOB can help justify billing the patient if the service turns out to be an uncovered benefit, Face says.

#### 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 billers set to work calling 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, you want to 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. If you search your monthly data for denial patterns, you'll often catch problems that would have gone undetected for a while.

#### 6. Track Denials From Various Perspectives

Tracking denials is a three-pronged approach, Fischer says. The staff that posts payments, the A/R follow-up staff, and your electronic claims software should all track reasons for denials, she says. Even though EOBs offer the carrier's final reason for denial, other issues within these three areas of your office can contribute to that ultimate denial.

These three areas will give you different, although often overlapping, data on denials, Fischer says. You should not combine the data, but rather keep them separate so you can focus on different problems that may contribute to denials.

**Good idea:** "Tracking denials by provider is important as well because you can see the root cause of some errors," such as erroneous coding, Fischer says. So you may actually want to form more than one Top 10 list each month - perhaps an overall Top 10 list and then separate lists for different providers and different stages of the denial management process (payment posting, A/R follow-up, etc.).

**Free spreadsheet:** For a spreadsheet to help you track your practice's denials by provider, e-mail editor Jerry Salley at [jerrys@eliresearch.com](mailto:jerrys@eliresearch.com).

**Bottom line:** Once you are effectively gathering the monthly data to shape your Top 10 denials list, you'll need to share the list with staff and providers and use the information to address and correct the causes for denial.