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APPEALS :Add Up How Many Low-Dollar Denials You Write Off and Determine Whether to Pursue Payment

The answers may surprise you -- and addressing the appeals may add to your bottom line.

If your practices rule of thumb is to write off all denials worth under $10.00 or another low dollar amount, it may be time to add up those claims and determine just how much money you could be pocketing through claims corrections and appeals.

To calculate this amount, your practice could create a special writeoff -- TCTA (too costly to appeal) -- to isolate those items that may have been appealable, but you wrote them off anyway, to find out how many low dollar appeals you let slip through your fingers, suggests **Barbara J. Cobuzzi, MBA, CPC, CPC-H, CPCP, CENTC, CHCC,** president of CRN Healthcare Solutions.This is part of denials analysis. You may find several claims of a particular type that you can systemize with form letters and fight the denials, she advises.

Differentiate appeals from claims corrections: An appeal is a formal request to the insurance company addressing the denial, describing the proper processing and submitting documentation for the service and its appropriateness, says **Zia Clarkson**, a coding, reimbursement, and practice management consultant in Long Island, N.Y. Not all wrongfully denied claims require that formal process; some just require contacting the payer and having an error reprocessed.

A claim that requires a formal appeal also requires the time to assemble the appeal and track it.Therefore, the time investment needs to be worth the reimbursement, Clarkson says. A $10 denial is worth the telephone call to the payer to have fixed but may not be worth the formal appeal unless there is a large volume of $10 denials.

Keep in mind: Payers are making millions of dollars just by shorting practices by a few cents here and a few cents there off a fee schedule, Cobuzzi says. Picture them doing this for every procedure they pay and it adds up.

Figure out how much youve lost: Some practices use sophisticated practice management systems that allow them to enter their fee schedule with a payer and calculate whether the carrier reimbursed them per the fee schedule. If not, the system would alert you that you were shorted, Cobuzzi says.

When you are being shorted, you can appeal the claims in bulk. Call the payer on the carpet for the months worth of claims that are not paid true to the fee schedule and ask them to account for the disparity in the fees, she advises.

Track your appeals: Filing an appeal is a time-consuming process because it must be assembled and tracked, Clarkson says. If someone is not watching that those appeals are received, processed, and resolved, it is wasteful to send them in the first place, she advises.

Tip: If your practice has a billing and collections department, the work of filing and tracking the denials can be split among the department members, Clarkson says. If the department is small or if there is only one billing person, that experienced staff member needs to take on those projects.It cant be rotated to other types of staff members.

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