

Part B Insider (Multispecialty) Coding Alert

Billing: 4 Steps Help You Collect From Personal Injury Payers

Doing your homework up-front will save you from headaches later.

You might complain about Medicare payments being valued lower than you'd like, but many practices dislike dealing with personal injury payers even more. These payments can be a hassle to collect and come through slowly—unless you put a few safeguards in place to ensure you get paid.

Whether you're new at personal injury (PI) billing or you just want to refine your processes, use the following steps to give your revenue a boost this year.

1. Verify ALL Coverage Information

Most PI cases involve motor vehicular accidents (MVAs). Before you ever start treating, you must find out who's paying for what, as far as insurance goes. Critical questions to ask include:

- Who was the responsible party?
- Does he/she have auto insurance?
- Does the patient have med-pay (medical expense coverage from their own auto insurance)?
- Is there an attorney involved?
- Is the patient waiting on settlement money or does he already have it?
- Does your state require a physician referral for treating MVAs?
- Is your state a "no-fault" or a "tort liability" state? Medical expense responsibility defaults to the injured person in no-fault states (under a certain severity threshold), whereas medical expense responsibility defaults to the responsible party in tort liability states.

Crucial: Always find out if a patient has already dipped into their med-pay. "A patient's personal injury protection (PIP) [aka med-pay] could go very quickly if they had a serious injury or were transported to the hospital, so we call ahead of time to see if their PIP is still open and how much money is left," says **Leslie Chrowl**, director of operations for PT Northwest in Salem, OR.

2. Determine Who You'll Be Billing

There are three basic ways to get reimbursed for MVA cases, according to **Milan Grbic, PT**, co-owner of Theradynamics in Milwaukee, WI:

1. Bill the med-pay of the patient's own auto insurance.
2. Bill the auto insurance of the responsible party.
3. Bill the patient's attorney. "The attorney would recoup payment from the at-fault party's insurance company," Grbic explains.

With auto insurance, Chrowl submits a paper claim with the full documentation details, and mails it into the responsible party.

Extra cushion: If you're billing the attorney, sometimes he or she will allow you to bill the patient's med-pay, too, but be sure the attorney knows you're doing this. "You would bill the med-pay, and after the patient has hit the cap, you would bill the attorney for the remaining treatment bills," Grbic says.

"In Oregon, everyone has a personal injury protection of \$15,000, so we always bill that patient's auto insurance," says **Amanda Pletcher**, accounting specialist and billing coordinator for PT Northwest. "So even if the patient wasn't

responsible, we still bill their insurance, and their insurance company gets reimbursed by the at-fault party."

In Chrowl's and Pletcher's experience, the auto insurance companies pay quickly and well, making it a worthwhile portion of their business. "Here the reimbursement rate is higher than private insurance," Pletcher says.

3. Safeguard Your Payments

Since getting paid for PI cases has a reputation of getting hairy, plan ahead and cover your bases just in case something goes amiss. You don't have to be stuck without payment.

Example: Suppose you find out that the patient's med-pay is exhausted. If so, "we find out if they have private insurance and bill that," Pletcher says.

"If the patient doesn't have health insurance or the health insurance won't pay, we tell the patient right away if they want to continue to be seen they must pay out of pocket," Chrowl says. "This scenario isn't common, and many times these patients will stop treatments."



Good idea: Have patients agree in writing, up-front, that they will pay out of pocket should insurance not pay.

If you're billing an attorney, be sure to have the patient sign a "lien," or "letter of protection" from the attorney. "This basically states that upon settlement, you are paid directly from the attorney and that the money isn't going straight to the patient," Grbic explains.

Without a lien, the patient receives the settlement money, and it's up to him or her to pay you.

The biggest question is, are you willing to wait on an attorney's settlement? It could take from eight months to three years to get paid, experts say. Some providers don't mind. They just view the claim as a savings account and look forward to receiving a surprise lump sum at a later date □ but you don't have to choose this option.

"We used to take a protection of fees and wait for the case to go through the courts, but we no longer do this," Chrowl says. "We have the patient pay out of pocket, and they get reimbursed when the settlement goes through."

4. Stay One Step Ahead of Your 'Opponent'

Document your files as though your treatments will be disputed ... because they may. Insurance companies are notorious for not wanting to pay these claims, so don't give them any ammunition.

"When we bill auto insurance, we attach chart notes to every single claim form we send in," Pletcher says.

Those notes should be top-notch in detail, supporting patient progress and need for care. If you make changes to a care plan, explain why. If you increase treatment frequency or duration, explain why. If the patient has missed appointments, explain why. Log start and stop times to your treatments. Use objective measurements to track progress, etc.

Sneaky: Sometimes the insurance company will initiate an independent medical exam (IME) to determine if the patient still needs your care□especially if there has been a lag in treatment, Pletcher points out. "If we find out that our patients are going in for an IME, we stop their treatment until we get confirmation from the adjuster that the exam has come back in our favor because it's rare that they will continue to cover treatments after that IME."

Finally, be transparent and honest about your rates. Often, providers are looking for ways to provide less expensive care for a self-pay client but are tempted to charge even twice as much when an auto insurance client walks in, observes **David Glaser, JD**, with Fredrikson & Byron in Minneapolis, MN.

"That comes with real peril," Glaser says. "If you want to offer a cash-pay discount, do it at least knowing the risk. With an auto insurer, you're not going to have a contract with a fee schedule, so you want to make sure that your billed

charges to them are consistent with what you'd charge someone who's walking in off the street."

In the end, if you cross all your t's and dot all i's, taking personal injury cases could be a great business decision.

"It is worth it for us, and it's a large part of our business," Chrowl says.