Part B Insider (Multispecialty) Coding Alert

BILLING : Avoid Separation Anxiety When It Comes to Submitting Claims

Measure charges and take action, experts say.

So youve got a handle on your accounts receivable (A/R) and you know roughly how long it takes to get paid once you submit a bill. Congratulations -- now youre ready to get started.

Getting a grip on your days in A/R is only half the battle. You cant have any A/R unless you actually bill something. So you need to know how long it takes your practice to bill for services after you provide them.You also need to measure whether youre billing all the services that you provide.

Thats why you need to measure your gross charges, which are the total amount of money you bill every month. You should be figuring out that number every month and comparing it against the previous years number for the same month. If the doctor looks busy, but the charges are going down or are stagnant, you may have a problem, says **Randall Karpf** with East Billing in East Hartford, Conn.

Sometimes this means youre not billing all the services your doctor provides due to a coding problem.

But also, you may not be getting out the charges adequately. A healthy standard is to post all office visits or charges within 24 hours after the date of service, and all other services within five working days, says **Reed Tinsley, CPA, CVA, CFP, CHBC,** a health care accounting consultant in Houston, Tex. Any practice that cant get an office visit claim out the next day has something terribly wrong, Tinsley says.

The goal is for your gross charges to be higher than the year before, Tinsley explains.

Many practices either dont measure things like days in A/R or gross charges, or else they dont know what to do with those numbers once they have them.

Then the next thing to track is collections. If your charges are going up but your collections are going down, you need to investigate why.

Keep in mind: If your practice has declining profitability, dont succumb to the temptation to cut staff,Tinsley urges. If anything, this may be a signal that you need to hire an extra person to speed up billing or work on collections.

When you start cutting out overhead as a knee jerk reaction to profitability, you are harming the practice, Tinsley says. You can nickel and dime overhead but you cant significantly cut it without harming the practice. The whole focus of management should be how to grow the top line.

Best bet: Create a long-term plan to address the issue of declining profitability by identifying the real issues your practice is facing and creating ways to tackle them -- rather than using a Band-Aid solution of cutting people, Tinsley says.