

## Part B Insider (Multispecialty) Coding Alert

### Part B Coding Coach: Boost Collections With These 4 Quick Tips

**If you aren't following up on denials, you're leaving money on the table.**

The economic downturn coupled with looming healthcare changes means that your practice -- and all others -- are under more pressure than ever to collect every penny you deserve. You can refine your accounts receivable (A/R) process quickly and easily to bring in the money without a lot of extra effort.

A/R defined: "Accounts receivable (A/R) is the money that is owed to the practice," explains **Elin Baklid-Kunz, MBA, CPC, CCS**, a director of physician services in Daytona, Fla., during The Coding Institute's audioconference "Top A/R Tactics: Fight Back Against Lower Payments and Increased Government Scrutiny." Follow these four best practices to set your practice on an improved A/R track and avoid thousands in lost reimbursement.

#### 1. Monitor Each Claim You Send Out

The first step in perfecting your A/R process is to make sure someone in your practice is paying attention to what happens to every claim you submit. Ask questions such as: "did the insurance company even receive the claim?" and "Did the patient pay her copay portion of the bill?"

"There are companies out there I call 'code it, bill it, and forget it companies,'" says coding, billing, and practice management consultant **Steven M. Verno, CMBS, CMSCS, CEMCS, CPM-MCS**, in The Coding Institute's audioconference "Reveal and Recover Hidden Money You Didn't Know You Missed." "They code the claim, they bill the claim, and then they forget about it. They leave it out there and don't do anything to bring the money in. They don't follow up on the claim."

Following up on your submitted claims early in the game can save you time. First ensure that once your practice submits a claim that it is accepted. If the claim is rejected, the first order of business is to research why. Catching it in the initial submission phases saves you time in the long run and ultimately gets your money in the door faster.

Set a reminder: Try placing an event reminder on your Outlook or Web calendar every week that reminds you to check all accounts receivable for the past 30 days. Print a report, and go online or call to check claim statuses.

#### 2. Follow Up on Unpaid and Denied Claim

The number one way to make sure your practice is hemorrhaging money is to follow up on denials and appeal as necessary, experts say.

"Almost every practice has hidden money waiting to be discovered," Verno says. He explains that money is in the form of the following issues:

- Unpaid claims
- Claims paid incorrectly
- Denials not appealed or appealed incorrectly
- Denials appealed with no follow-up.

You should continually review and monitor your explanations of benefits (EOBs), paying special attention to your denials. You can glean a lot of information from your EOBs, such as how quickly insurers are paying you, whether your fee schedule is adequate, if your coders are coding properly, why insurance companies are denying your claims, and if you're getting paid according to your contracted rates.

"Appeal inappropriately denied or partially paid claims," Baklid-Kunz says. "If we don't do the appeals we're an easy target for the insurance companies to automatically deny claims ... unless you schedule time to actively look at denials and appeal them, you're never going to have the chance to be effective at it and get the money that is owed to you."

Bottom line: "Appealing denials can be time consuming, but it is vital to ensure correct receive reimbursement," Baklid-Kunz says.

### **3. Run Reports and Update Your A/R Procedures**

You can't manage your A/R if you can't measure it, so you need to produce a variety of reports to help you evaluate your A/R.

Tip: Invest in a good practice management system, and learn all of its capabilities. Pay special attention to the reporting abilities of the system you use to be sure you get the data you need to manage your practice's A/R, such as the practice's gross collection rate, net collection rate, and average days in A/R for claims. You can then use this information to evaluate the effectiveness and efficiency of your practice's A/R management.

Example: Days in A/R is a single number that tells you on average how long it takes you to get paid after you provide a service. Calculating your days in A/R is a useful process because you can benchmark the time it takes you to collect for services compared to other practices.

Watch for A/R "creep," Baklid-Kunz warns. This is when your A/R goes up a little bit every month, but over time it goes up a lot, she explains.

Know your benchmarks: If you are aware of your average number of days in A/R, then you'll be able to notice immediately if that number rises, rather than wondering whether it has gone up or down. An average number of days in A/R can be different for every business depending on the payer/patient mix and your contracts.