

Part B Insider (Multispecialty) Coding Alert

Part B Coding Coach: Clearly Outline Practice Expectations With No Show Letters and Fees

Check your payer rules before charging your patients.

Every practice has the occasional patient who doesn't show up for an appointment, but if no-shows are becoming commonplace in your practice it's time to get tough. Get the details from our experts on how to make sure your practice isn't losing money because of countless missed services.

Pay Attention to the Patient's Insurance

Probably the best way to encourage patients to keep their appointments or call you if they need to cancel, is to charge a fee when they don't show up. But when, and if, you can charge a no-show fee depends on the insurance your patient has.

In most cases, you should be able to charge patients a fee when they miss an appointment. But check your contracts, because you may have a clause forbidding no-show charges or specifying particular cases when you can and can't bill the patient. For example, most payers will not allow you to charge a patient who cancelled her appointment more than 24 hours before the scheduled appointment time.

"We charge everyone but WC (worker's compensation)," says **Marilyn Glidden, CPC**, practice coding specialist for Neuroscience & Spine Associates in Naples, Fla. **Medicare specifics:** As of 2007, Medicare allows us to bill for no show appointments," says **Barbara Prater, CPC, CCP, CPMB, CHIS**, billing specialist for Clinical Neurosciences of Tampa Bay in Clearwater, Fla. "However, we still can't bill Medicaid." You're allowed to bill a Medicare patient a no-show fee as long as you don't discriminate and only charge your Medicare patients. Apply the same no-show policy and fee to all of your patients.

Self-pay: For self-pay patients and those with indemnity insurance, billing for no-shows may be perfectly legal. However, you should check first to make sure your state law permits this type of billing.

Just because your contract says you can bill for a no-show fee, don't be tempted to bill the payer. Most likely, you'll need to bill the patient or you'll get a noncovered service denial. For example, if you bill a missed appointment to Medicare, your claim will be denied citing reason code 204 (This service/equipment/drug is not covered under the patient's current benefit plan).

Spell Out Your Policy

For payers that allow you to bill for no-show appointments, the contract will usually require you to give the patient advance notice of your no-show billing policy.

Good practice: Have a financial policy that mentions the fee in writing and include that policy in the paperwork you give to every new patient. Have the patient sign two copies of the policy: one that he keeps, plus one you will keep with his chart.

In your policy, include information such as:

- The patient needs to notify you that he is not going to show Whether you'll charge a fee
- If you are going to charge a fee, what that fee is.

"The first time we see a patient we have them sign a 'No Show and Cancellation Form,'" Glidden says. "It tells them that if they do not show up or cancel within 24 hours of their appointment, they will be charged."

If your practice calls patients to remind them of their appointments, consider mentioning the no-show fee during those reminder calls as well. You can also post the information about your fees in the registration area and in the waiting room.

Set your fee: Your no-show policy should spell out exactly what fee you will charge for a missed appointment. Many practices set one fee for an office visit and another, higher fee for procedures. "The going rate around here is \$50 charge for office visits and \$100 if they had a procedure scheduled," Glidden explains.

One way to lower your no-show rate, especially for procedures, is to collect a deposit when the patient schedules the appointment. For example, many urology practices see a high rate of no-show patients for elective vasectomy procedures. As a result, several practices now collect a \$100 or more deposit for those appointments.

Consider Discharge For Repeat Offenders

Most practices allow patients one or two "freebies," meaning that they excuse the first missed appointment and do not charge a fee. You should send a letter to the patient, however, reminding him of your practice's policy on no shows.

Once you've sent a letter reminding the patient of the policy, you should consider charging a fee for additional missed appointments. Then, if the patient begins to consistently schedule and no-show, you have the right to discharge him as a patient after a few offenses.

"We send reminder letters for the first two no show appointments," says **Angie Noetzelmann**, billing representative at the Windsor Family Clinic in Colo. "The third one gets a \$50 fee since that is to cover that appointment time. The fourth no show, we discharge [the patient] from the practice."

You can even include the exact fees you'll charge in the letter you send for the "freebie" no shows so that your patients cannot say they didn't know about the fee.

"The no show letter we send shows all four offenses and we circle which number it is, so they are well informed of the \$50 dollars before they get to that third no show," Noetzelmann adds.

Important: When a patient does miss an appointment without notifying the office in advance, you should note it in the patient's file. This will give you an accurate count of how many times a patient has been a no-show. Accurate documentation can help with any legal issues that arise if you end up discharging a patient from your practice.