

## Part B Insider (Multispecialty) Coding Alert

### Part B Mythbuster: Yes, You Can Collect Coinsurance on the Service Date

**For Part B, you may need to collect after the service—but before the patient walks out**

**Myth:** It's inappropriate to collect coinsurance payments from patients while they're at your office since you must first wait for an EOB to arrive.

**Reality:** If you properly verify the patient's coverage up-front, you can collect your due before patients leave your office.

**Advantage:** For defined contribution amounts (which many Medicare Advantage programs and private payers offer), you can collect coinsurance when the patient checks in at your practice, since these figures don't depend on which services you render.

Some electronic subscription services allow you to verify the patient's coinsurance amount and whether their deductible has been met before the patient arrives for his visit. Therefore, when you make the patient reminder call, tell them approximately how much they'll owe you in coinsurance or deductible amounts.

**Part B MACs:** When dealing with Part B, you can typically charge the patient after their service but before they leave your practice. When you see the patient at checkout, read the chart to determine what services the physician performed, then collect the appropriate coinsurance before the patient leaves the practice.

#### The Difference with Deductibles

The rules for deductibles may be slightly different, depending on the insurer. From a compliance standpoint, if the practice knew without a doubt that the patient's deductible had not been met, there is nothing that prohibits the practice from collecting it at the time of service prior to sending the claim to Medicare.

However, this may not necessarily be a good business practice. Secondary payers will usually pay you the cost of the patient's deductible, and the secondary payment often arrives at your office before you even receive your Part B reimbursement, so patients with secondary insurance typically won't have to pay you a deductible amounts.

Some practices collect the deductible up-front as a rule, especially if they see the patient early in January, and then figure they'll just issue a refund later if necessary. But generating all of those refunds can be a headache when February rolls around.

**Not to mention costly:** What you collect from the patient up-front probably isn't as much as you'd spend processing a refund, so most coding experts recommend that you simply wait the two weeks (on average) that it takes to get your Medicare payments and then determine whether the patient owes anything on the deductible.

Even if you can predict what the Medicare EOB will say (which is nearly impossible), the odds of knowing whether the patient will owe you his deductible get worse and worse every day after January 1, and that's before you start to factor in the implications of the patient having a Medigap policy you weren't aware of that would have picked up the deductible for the patient in the first place.

**Example:** Suppose you see a patient on January 15. She tells you that she hasn't seen any other physicians yet during the year. She also mentions during the history portion of the E/M visit that she performs her glucose test daily and that she just received a new box of glucometer strips the day before, so she is prepared to continue testing her blood sugar.

**Reality:** Although this patient has not seen a Medicare physician, she probably did pay some money toward her deductible when she ordered the glucometer strips.

**Bottom line:** Determine whether collecting that deductible is really worth your while from a business standpoint before you ask the patient to pay it at the time of service.

In black and white: Although Medicare doesn't prohibit you from collecting coinsurance or deductibles at the visit, some of the MACs discourage you from collecting the deductible. Part B MAC First Coast Service Options says on its website, "If you believe you can accurately predict the coinsurance amount and wish to collect it before Medicare Part B payment is received, note the amount collected for coinsurance on your claim form. We do not recommend that you collect the deductible prior to receiving payment from Medicare Part B because over-collection is considered program abuse and can cause a portion of the provider's check to be issued to beneficiaries on assigned claims."

### **Don't Wait Too Long to Collect**

If you find that a patient does owe you coinsurance or deductible amounts, you should bill the patient as soon as you realize they have a balance due.

Experts say that after 90 days, you only have about a 70 percent chance of collecting the debt owed. Therefore, you should review outstanding patient balances every 30 days, with the following as a guideline in creating your timing:

- Send the first statement within five days of your system recognizing a patient-due balance exists.
- Send the second statement 30 days later.

At this point, the patient has had three opportunities to pay — one at the time of service, and two statements. Practices handle the next steps differently based on their internal policies. For instance, some practices choose to write off balances of \$50 or below, while others aggressively fight for every balance.

You might make a courtesy call next, followed by a collection letter. If you end up having to write off any balances, keep track of them to tally up how much money you lost. This should prompt you to have a staff meeting where you'll discuss how to avoid such losses in the future.