

## Part B Insider (Multispecialty) Coding Alert

### Participation: Successfully Collect for Services When Your Practice Does Not Participate

Follow these 4 quick tips for optimal reimbursement.

As payer contracts get more and more complicated and payment continues to dwindle, many practices are choosing to not participate, or become "non-par," with some or all payers. But non-par collections can be a losing proposition that is complicated and time consuming, if you don't implement a solid, consistent plan of action.

Let our experts help you start off on the right track to ensure you bring in every non-par dollar your practice earns, without having to do a lot of extra work.

#### 1. Get the Patient to Sign a Statement

When you don't participate with an insurance plan the patient is responsible for payment. You should clearly inform your patients of this, along with your financial and collections policies.

Be proactive: You need to ensure that your patients know they are responsible for paying for services. You should include this information in the financial policy you give all patients when they start at your practice. You can also consider putting up a sign in the waiting area stating that payments are due at the time of service. Another good practice is to let patients know when they make their appointment and when you call with the appointment reminder what you estimate they will owe for the visit and ancillary services, if any, as well as the payment methods your practice accepts and that payment is due at the time of service.

"Most practices already have the patients sign some kind of document telling the patient that claims are being sent to the payer as a courtesy, that ultimately the patient is responsible for making sure payment is received by the provider," says **Leslie Johnson, CPC**, manager of coding, compliance, and education at Somnia, Inc. in New Rochelle, NY.

Reminder: Even if you don't participate with a patient's insurance, you should still collect the patient's insurance information. "Always get the patient's insurance information whether par or non-par," Johnson says.

Keep in mind, however, that if you are non-par getting the insurance information is not the key to your collections success, but rather is a patient courtesy. "Getting the insurance information prior to performing the service is a courtesy for the patient, so that you can submit to their insurance and get them reimbursed after paying the physician for the service," says **Barbara J. Cobuzzi, MBA, CPC, CENTC, CPCH, CPCP, CPC-I, CHCC**, president of CRN Healthcare Solutions, a consulting firm in Tinton Falls, N.J. "The collection of insurance information and submission of the claim is for the patient's benefit!"

#### 2. Collect While the Patient Is In Your Office

In some, but not all, cases if your practice does not participate with the patient's insurance company, the payer will send the check directly to the patient. Your challenge is to then collect your fee.

If you collect while the patient is in your office -- after the provider sees the patient so you know what the services performed and the level of service he provides for things such as E/M visits, or before the service for surgical procedures -- you won't have to spend time chasing the money after the payer sends a check to the patient. "Collecting payment from the patient upfront before the service is rendered is most important," Cobuzzi says.

"The best possible practice is to get the money upfront before the patient walks out the door," Johnson agrees. "Non-par

payers actually believe this is what should happen, that the money is received upfront, so they will reimburse the patient."

Tip: This method won't work for all practices because upfront collection isn't always possible. For example, in a radiology group where the providers often interpret reports for services other facilities performed but the radiologist doesn't actually see the patient, upfront patient collection would be difficult. Also, if you do not know the exact cost of a surgery beforehand, you may think you can't collect upfront. "This isn't always easy when it comes to emergency surgeries, but for elective procedures that can wait, it's the best thing to do to avoid losing the money," Johnson says.

Solution: "If the total fee is unknown such as in a surgery and the physician is not sure all the CPT® codes that will be performed, the practice should at least collect a deposit of 50 percent the expected surgical fee," Cobuzzi says.

Alternative: You can also consider asking for a patient's credit card information to keep on file so you can charge that card when the patient is paid if the outstanding balance is greater than what has already been paid, Cobuzzi suggest. "The patient could dispute the charges even if they gave the charge card and authorization to charge it, but it is better than having nothing in hand," she adds.

### **3. Know What Fees You Should Charge**

Determining what amount to charge a patient when you don't participate with his insurance is challenging for many billers. You may think you need to know the payer's allowable or that you need to bill the payer on behalf of the patient and wait for the explanation of benefits (EOB) before you can determine what to charge the patient. Not true.

Your fee is your fee. The insurance company's allowance should not matter. "The payer's fees are irrelevant; you should charge your fees," Cobuzzi explains. "But if you are doing a surgery, when you balance bill the patient, it is reasonable to take multiple surgery discounts (50 percent) and only charge 150 percent for bilateral surgeries, etc. You do not have to charge out the surgery to the payer with these discounts, but once it is billed to the patient, these standards of billing would be considered reasonable."

"It would be good if the payers' fees were known, but most of them are 'proprietary' ... because it's not generally known what a non-par payer will pay for a procedure, a physician can generally charge whatever they want -- and can reasonably expect to receive some sort of percentage, if not all, the charged amount," Johnson explains.

How it works: You should collect your full fee from the patient and submit the claim indicating that you do not accept assignment. Send the insurance payment to the patient, reimbursing her the allowable.

Why you can bill the patient: You have no contract with the payer and you are working just with the patient, therefore you can charge your full fee. Remember the patient and her employer contracted with the payer, not you.

### **4. When All Else Fails, Turn to Collections**

If you opt not to collect at the time of service and the patient won't pay, your next option is to send the patient's account to a collection agency, to small claims court, or even to the Internal Revenue Service (IRS). Do not be afraid to use a collection agency whenever a patient owes you money and refuses to pay you. It is important that you do this in a timely manner. Do not hand the collections agency old debt to chase. Give them fresh debt, once you know that the patient has decided to not pay for the medical services rendered. The same applies to going to small claims court. "You have a better chance of collecting the monies due if the debt is not extremely old," Cobuzzi says.

Exhaust other options first: "Most certainly the best thing to do is try to communicate with the patient to work out some kind of reasonable solution before taking it to the level of IRS involvement or to small claims," Johnson says. "Collections agencies only work if they can collect the money. Setting an unrealistic payment arrangement with the patient pretty much guarantees collections failure, especially in these economic times. Whenever possible, communication remains the key element to getting paid."

Additionally: If you do not collect payment at time of service for whatever reason, you can submit the claims to the payer accepting assignment if the patient agreed to allow you to accept assignment, even though you do not participate with

that payer. "That's pretty much the standard way of doing business," Johnson explains. "We look to the insurance company first for reimbursement. A decision is made on whether to accept the insurance company's check as payment in full or balance billing the patient would be the next step. These decisions would be best done before the patient arrives; a policy should be set into place so that the practice can remain consistent and know what to do for most situations that pop up."