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Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Benchmark Your Denials--Or Find Yourself Benched

Check by payor, site, procedure code and other factors

Watch out: Are you keeping track of your denials? If not, you might be missing a pattern that could be draining your practice's reimbursement.

There are two important reasons to track your denials, says **Barbara Cobuzzi**, president of **CRN Healthcare Solutions** in Tinton Falls, NJ:

1. Admin red flags: You may be missing a major problem in your practice. For example, you could be regularly forgetting to put the provider numbers of referring physicians on claims. Or you may be missing a crucial modifier on a regular basis. If you can identify these -gaps in your system,- you can develop better internal processes.

2. Payor pitfalls: Your payors, especially private insurers, may be systematically short-changing you on some claims, and you might not notice it unless you pay attention. For example, a particular payor could be skipping out on paying all claims with the 25 modifier. Or a payor could be refusing to pay for a particular procedure, and maybe your practice shouldn't be doing that procedure for that payor, says Cobuzzi.

Did you know? Managed care companies have become -denial savvy- and developed more and more automated denials, says **Karlene Dittrich**, insurance reimbursement and appeal specialist with **BCS** in Atlanta. They rely on your lack of a denial management system, she adds. -Never assume you are being paid correctly,- she urges.

What to do: You can buy special software, or you can just plug the data from your electronic explanation of benefits (EOBs) into a spreadsheet. Pick one particular payor to track at a time and go back three to six months, advises Cobuzzi. Choose a different payor every few months.

Dittrich advises doing some denial tracking every month. You can at least run an analysis of your most frequently billed procedures every month, Cobuzzi agrees.

List all the reasons for denials, and the codes denied. If your practice has more than one site, it may be useful to list the clinic site as well to see if one location has a particular problem. If you can tell whether something's a frequency denial or a medical necessity denial, include that in its own column too. With Medicare, you can look at the stock denial reasons your carrier sends, which start with the letters -CO,- says Cobuzzi.

If you identify a problem with a particular payor, try to meet with the payor reps and find out how to fix the problem. This may end up saving you a lot of time you-d otherwise spend appealing every single denial, says Cobuzzi.

-Address multiple denials with your provider relations rep,- says Dittrich. -Include those repeat denials as part of your negotiating power and request specific contract provisions that address them.-

You should also be scanning your denials on a regular basis and looking for problems, Cobuzzi says.

Important: Don't study your denials and then fail to take action on them, Cobuzzi stresses. -Don't make it a negative tool, make it a positive tool.-

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