

Eli's Rehab Report

Billing: Gear Up for Q1 With These Deductible Collection Tips

Save time, effort by learning the pros and cons of up-front collection.

Collecting deductibles from your rehab patients has never been more difficult -- or time-consuming. Determining whether the patient has secondary coverage and if she's already met her deductible can cost you an hour of your time.

But before you let Q1 get too far ahead of you, consider these tips so that you can stay on your billing -- and reimbursement -- game.

Experts Hash Out the Best Time to Collect

Ever heard the rumor that you can't collect a deductible from a patient before you receive an EOB from the insurer? This isn't true, says Joan **Gilhooly, CPC, CHCC**, president of Deer Park, Ill.-based Medical Business Resources, LLC. "From a compliance standpoint, if the practice knows 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."

Don't miss: "If you're a contracted provider, there may be stipulations in your contract that say whether or not you can collect at time of services," points out Lynn Steffes, PT, president of Steffes & Associates in New Berlin, Wis. Other than that, "the best time to collect money is at point-of-service," she maintains.

Counter-argument: Some experts, however, have different advice. "Now that Medicare pays so promptly, and so many people have secondary plans, it's very uncommon to find someone whose deductible you need to collect up front," Gilhooly says.

Keep in mind: You should still strongly consider collecting the deductible up front, especially if you're a small rehab business, Steffes stresses. "People used to owe \$5 or \$10 per visit, but now between copays and deductibles, it's hundreds and hundreds, and if you can't collect that, it's cost-prohibitive for a small business." Also, don't forget that "the deductible accounts for all services, including durable medical equipment," Gilhooly says.

Consider the Cost of Refunds

"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," says **Jay Neal**, a coding consultant in Atlanta. But this practice can be costly for your business, he warns.

"I once did the billing for a practice that collected a deductible from every single patient they saw from Jan. 1 through Feb. 1," Neal says. "It was their policy, and they had no intention of changing it -- until we had to bring in a temp for a month to help us process all of the refunds."

"Given the extraordinary expense of processing refunds, I generally recommend that practices don't collect the deductibles. Instead, they should simply wait the two weeks (assuming electronic claims filing) to find out if the patient really does owe any money," Gilhooly advises.

Possible solution: If you're able to take advantage of real-time claims adjudication, you won't have to worry as much about whether you're collecting the proper amount. Faster patient collections tops the list of pros for using RTCA. For more information on RTCA, you can purchase a CD of an Eli-sponsored audio conference on the topic at www.audioeducator.com/industry_conference.php?id=1090.

You may also want to check with your benefits verification services, as some offer real-time information on how much of

a patient's benefits have been used to date, the deductible to date remaining, number of hospital days remaining, SNF days remaining, and if the patient has Medigap coverage.

Exercise These Good Business Practices

If you decide to collect up front, make sure you're not scaring patients away. "Have a system in place where you set expectations for your patients up front," Steffes says. She instructs her clients to offer their patients a "financial orientation" no later than the second visit, where the practice explains what insurance will cover and gives patients in writing an estimate of what they would owe for deductibles, copayments, coinsurance, etc.

Critical: "It's really important to get a commitment from the patient on how they plan on paying the bills, whether that's cash, check, or credit card," Steffes says. "I also suggest asking for a backup credit card in case patients forget to bring their checkbook."

Also, make sure you put in writing that if there's ever an overpayment on the patient's end, that you'll credit their account immediately or send them a check, Steffes says.

She believes that despite the hassle of processing potential refunds, "if practices don't manage as much as they can on deductibles, coinsurance, and copays on the front end, they're going to run into all kinds of problems with cashflow first quarter."