

Dermatology Coding Alert

Practice Management: Monitor Claims to Max Out Your Dermatologists' Pay

Keep your AR up-to-date.

You're up-to-date on coding changes, you've educated your dermatologists about new coverage decisions and documentation requirements, and you're updating your electronic billing system every so often. So you're collecting all the pay you deserve — right? Not so fast.

You may have other payment problems lurking in your claims process that hurt your bottom line. Read on for our expert claims-monitoring tips to help you get all the pay you deserve.

Ensure You're Getting Contracted Amounts

Once you contract with a payer, you should expect to receive the contracted amounts for all of your services — but you can't simply trust the insurer to send you those fees.

Instead, "Practices should review all their managed care contracts, take a sample of some payments from all insurance companies, and match the payments against their respective contracted fee schedules," advises **Vinod Gidwani**, founder of Currence Physician Solutions in Skokie, Ill.

If you're not getting your contracted amounts, you need to contact the payer and correct the problem.

Pre-Check Eligibility

Most major insurers provide web portals that allow you to check a patient's insurance information. By checking the patient's eligibility for a service, "discrepancies can be identified ahead of time and can be resolved before a billable service is ever generated," says **Trent Shelton** of Solutions4MD's, Inc., a North Carolina-based medical billing and consulting firm.

Don't miss: "The expansion of Medicaid to managed care, as well as the proliferation of Medicare Advantage plans now require prior authorizations for many services rendered," Gidwani says. Your practice should know when prior authorizations are required and ensure you get these authorizations prior to rendering the service.

Bottom line: You can head off payment issues by checking patient insurance eligibility ahead of providing the service, says **Raymond Kelley**, vice president of operations with Bristol Healthcare Services, a medical billing and coding company in Cerritos, Calif.

Ensure Timely Patient Communication

Once a patient is at your office, collect any copay and coinsurance, and then educate the patient on her out of pocket expenses that may accrue, Kelley says. This step is essential to ensuring that if the patient gets a bill down the line, she won't be shocked since you already explained the potential payments to her.

Once you get the insurance payment and remittance advice for a service, send the patient a bill for any applicable balance right away, Kelley advises. Waiting too long could confuse the patient, who may not remember the exact nature of the charges.

Monitor and Manage Claims Denials

Another way to ensure that money keeps flowing into your lab is to catch denials before they pile up. "Make sure that the percentage of claims denied on first submission is five percent or less," Gidwani notes. "The cost to follow up denied claims is very high, which increases billing costs and negatively impacts the bottom line."

Do this: Set a schedule when you'll run reports to identify unpaid claims in the system. "Utilize both activity reports and claim date reports to ensure all claims are worked," says **Keith O. Tobin** of Medorizon, an Illinois-based medical billing and collections firm. You can even configure the reports to run from the oldest date of service to the newest, or you can group them by payer to see where you're recouping the most and the least reimbursement.

Remove untimely claims from the workflow: Once you identify claims that are delayed or on appeals, you should set them aside, Tobin says. This will allow you to address those issues directly rather than just leaving them in the pipeline with the paid claims.

Perform month-end closeouts: Always post payments on time to patient accounts and perform a month-end close out, Kelley advises. That way, you are always timely in letting the patient know her balance. If you fall behind, then the whole system falls apart.