



PRESENTS:

Recession-Proof Your Practice

**Pinellas County Medical Association
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Belinda Holmes, BS, CPC, CCP-P



Recession-Proof Your Practice

THE 4 C's:

- Coding
- Collections
- Controls
- Contracts



Four things physicians can do NOW to increase revenue and avoid audits

Recession-Proof Your Practice

- Coding



Recession-Proof Your Practice

CODING:

- GOOD PHYSICIANS GET IN TROUBLE BECAUSE THEY DON'T KNOW THE RULES



Coding

CMS Auditors:

1. Carrier / Intermediary / MAC
2. Program Safeguards Contractor (PSC)
3. Quality Improvement Organizations (QIO)
4. Comprehensive Error Rate Testing (CERT) program
5. Office of the Inspector General (OIG)
6. Recovery Audit Contractor (RAC)



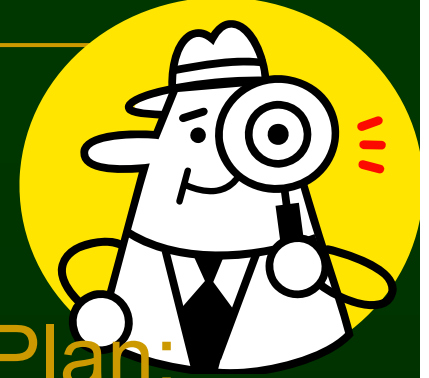
Coding

2009 OIG Workplan:

- Hospice patients
- POS Errors
- E/M during Global Periods
- Colonoscopy Services
- Incident To Services
- Sleep Studies
- Imaging (High Density)
- Ultrasound Services (Utilization)
- Unlisted Procedures



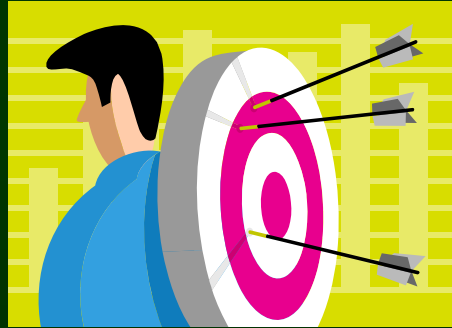
Coding



Guidelines for Effective Compliance Plan:

- Conduct Internal Monitoring and auditing
- Implement Compliance and Practice standards
- Conduct Appropriate Training & Education
- Respond appropriately to Offenses
- Develop open lines of communication
- Enforce disciplinary standards

Coding



Benefits

- Find additional services not coded (\$\$)
- Find missed revenue opportunities (\$\$)
- Speed and optimize proper payment of claims (Faster \$\$)
- Minimize billing mistakes
- Reduce chances of a targeted Audit
- Increase chances of surviving an Audit



Coding

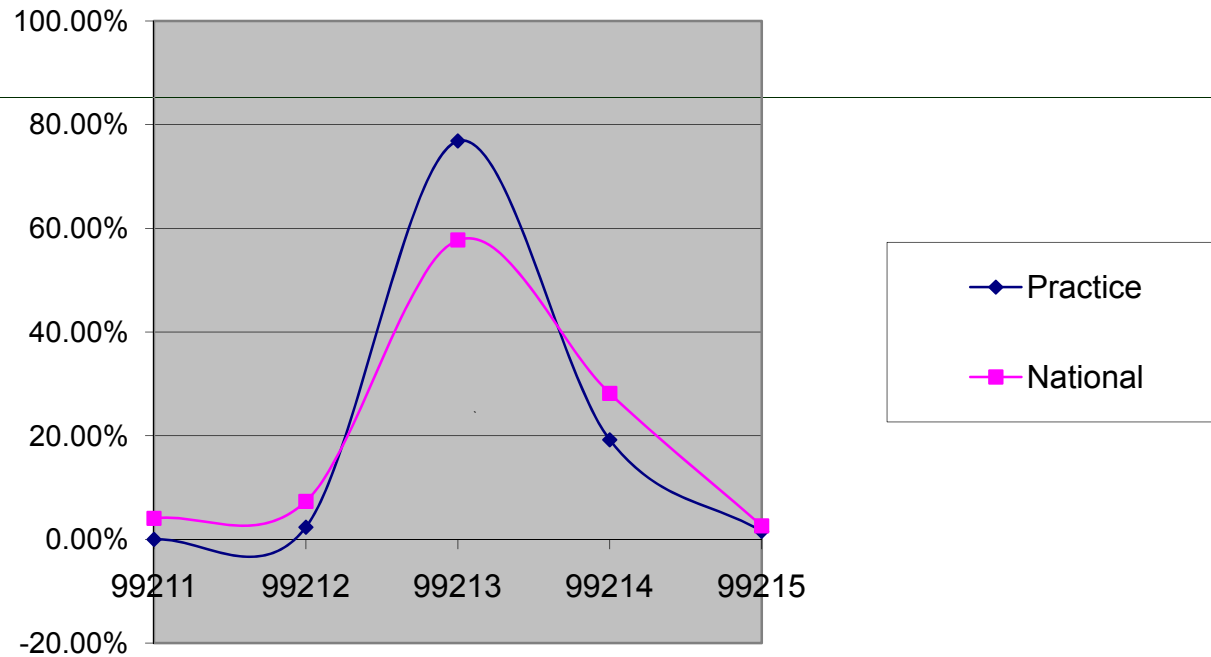
Example:

LAB DATA TO BILLING DATA COMPARISON

<u>DESCRIPTION</u>	<u>LABS BILLED</u>	<u>LABS PERFORMED</u>	<u>VARIANCE</u>	<u>MEDICARE RATE</u>	<u>LOST REVENUE DUE TO MISSED CHARGES</u>	<u>SELECTED ANNUALIZED LOSS</u>
PSA	40	179	-139	25.70	-3572.30	-42867.60
TSH	439	499	-60	23.47	-1408.20	-16898.40
CBC	782	842	-60	10.86	-651.60	-7819.20
COMP METABOLIC PANEL	846	890	-44	14.77	-649.88	-7798.56
FREE T4	383	415	-32	12.60	-403.20	-4838.40
T3	176	205	-29	19.81	-574.49	-6893.88
LIPID PROFILE	917	932	-15	18.72	-280.80	-3369.60
		TOTAL VARIANCE	-436		-\$7,784.91	-90485.64

Coding

Sample Bell Curve Established Patient Visits- Dr. Oz



Coding

E/M Utilization 2008- Dr. OZ

Table 1: Established Patient Office Visits

Code	Current Frequency	Collections based on RBRVS	Current Practice Profile	*National Dist. %	New Frequency if at National %	Collections based on RBRVS
99211	0	0.00	0.00%	5.12%	65	2,263.26
99212	30	1,096.80	2.35%	5.09%	65	3,938.63
99213	980	57,428.00	76.86%	51.98%	663	59,786.23
99214	245	21,626.15	19.22%	33.27%	424	24,628.62
99215	<u>20</u>	<u>2,391.40</u>	<u>1.57%</u>	<u>4.54%</u>	<u>58</u>	<u>9,989.21</u>
Totals	1,275	\$82,542.35	100.00%	100.00%	1,275	\$100,605.94
				Collections Difference		-\$18,063.59

Coding

**IF YOU ARE AUDITED -
Biggest Mistake is Not
Appealing**



Coding

CMS RAC Evaluation September 2008:

- RACs succeeded in correcting more than \$1.03 billion of Medicare improper payments (currently only 3 states)
- 96% Overpayments
- 4% Underpayments



Coding

CMS RAC Evaluation
September 2008:

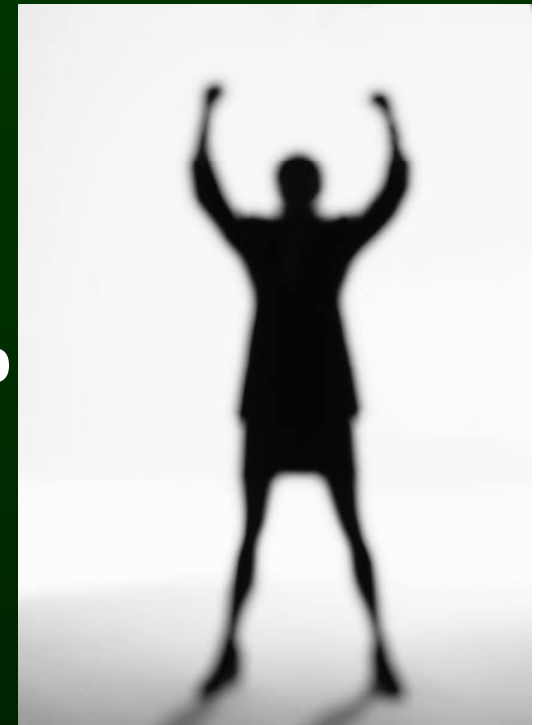
- Through 6/30/08,
Part B Providers
chose to appeal only
25.4% of claims



Coding

CMS RAC Evaluation
September 2008:

- Of those appeals, 39.6% were overturned
- One RAC contractor overturned 64.7% of appealed Part B claims



Recession-Proof Your Practice

- Collections



Collections

- Doctor: You only have six months to live.
- Man: I can't pay the bill.
- Doctor: Alright, I'll give you another six months.



Collections

PRE-REGISTRATION

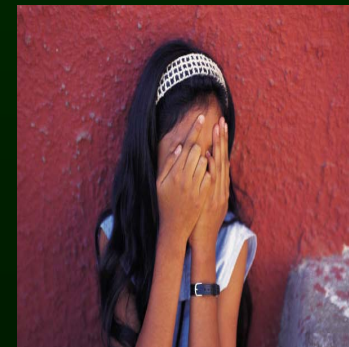
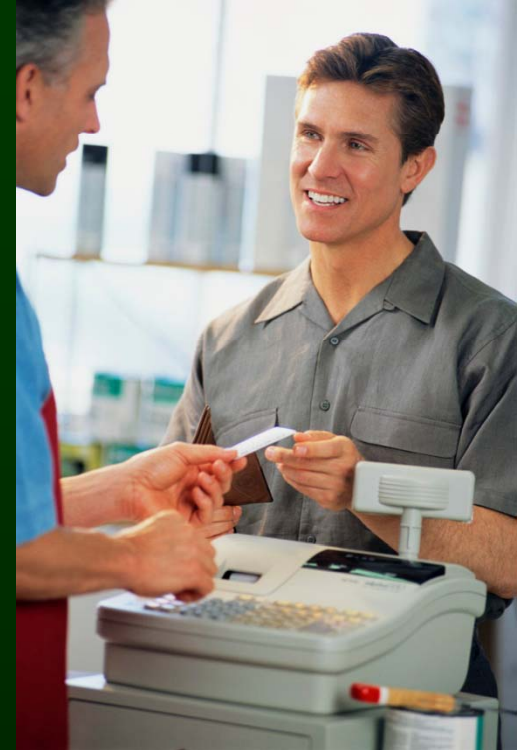
- Patient information should be verified prior to each visit
- BOTH eligibility and benefits
- Obtain authorizations
- Patient should be reminded of current co-pay and any prior balances (scripts)



Collections

And NEVER forget...

- Collect at time of service!
- Especially important for subspecialists, IDTFs & urgent care – you may never see patient again!
- Don't let your \$ walk out the door !



Collections

Tools you can use:

- Availability
- Payor websites
- Fast Trackers (BC/BS, etc)
- Inter-office Cheat sheets (what payors require auth, standard co-payments, etc)



Recession-Proof Your Practice

- Controls



Controls



It's 4 p.m. do you know where
the day's revenue is?

- Clearinghouse confirmations
- Daily balancing
- Inventory control

Controls

Never assume!



- Claims received at clearinghouse may not make it to payor
- Result = NO payment
- Charge is “lost” until A.R. is worked

Controls

Tracking Mechanism

- Start spreadsheet for each payor
- List claims transmitted & received
- Access claims received via Availity or payor websites
- Note denials (were they worked /resubmitted?)
- Document payments received



Controls

Transmission/Payment Reconciliation Medicare									
<u>TRANSMIS SION DATE</u>	<u>SUBMISSI ON #</u>	<u># OF CLAIMS SENT</u>	<u>\$ AMT SENT</u>	<u>ACKNOW. DATE</u>	<u># CLAIMS ACCEP TED</u>	<u># of Denials</u>	<u>Denial worked?</u>	<u>\$ AMT ACCEPTED</u>	<u>PAYMENT RECEIVED</u>
6/16/2008	15045	27	\$6,684.69	6/16/2008	25	2	Corrected Dx	\$6,200.00	\$4,960.00
6/18/2008	15047	116	\$19,148.90	06/19/2008	115	1	HIC mismatch	\$19,023.30	\$15,218.40
06/20/2008	15049	86	\$22,926.15	8/26/2008	86			\$22,926.15	\$18,340.92
06/21/2008	15053	23	\$5,840.00	06/22/2008	23			\$5,840.00	\$4,672.00

Controls

Daily Balancing

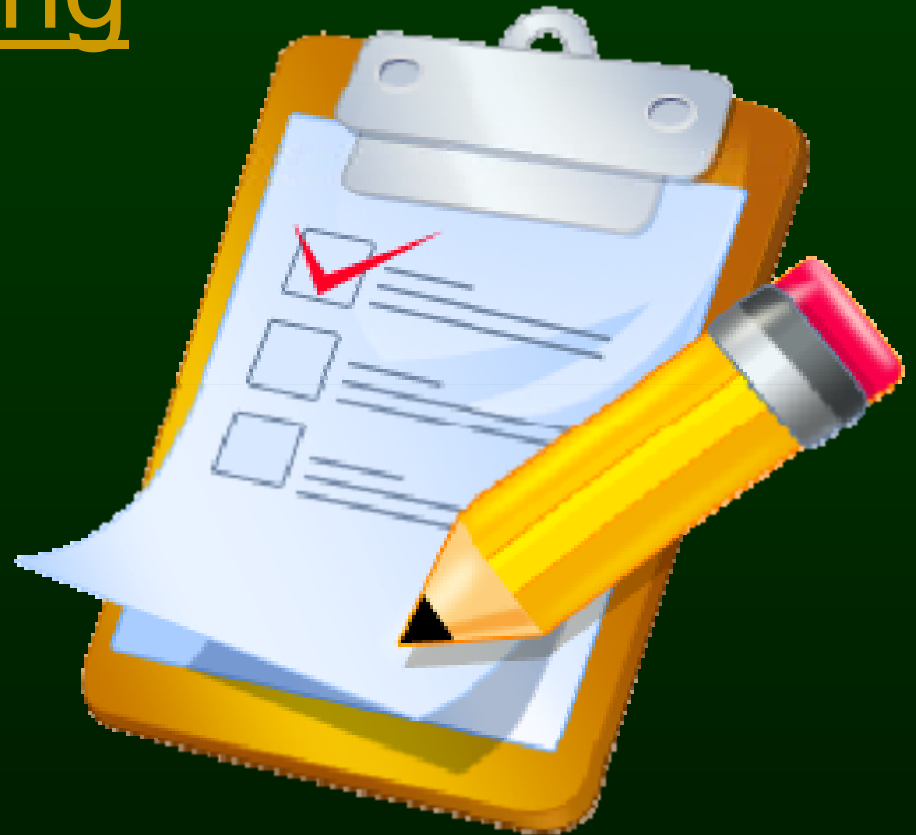
- EVERYONE WHO HANDLES PRACTICE ASSESTS (CHARGES, PAYMENTS, INVENTORY) NEEDS TO BALANCE AT THE END OF EACH DAY.



Controls

Daily Balancing

- Superbills
- Charges
- Payments
- Adjustments
- Deposits
- Petty Cash



Controls

Inventory Control

- Office Supplies
- Medical Supplies
- Invoices
- Petty Cash



Recession-Proof Your Practice

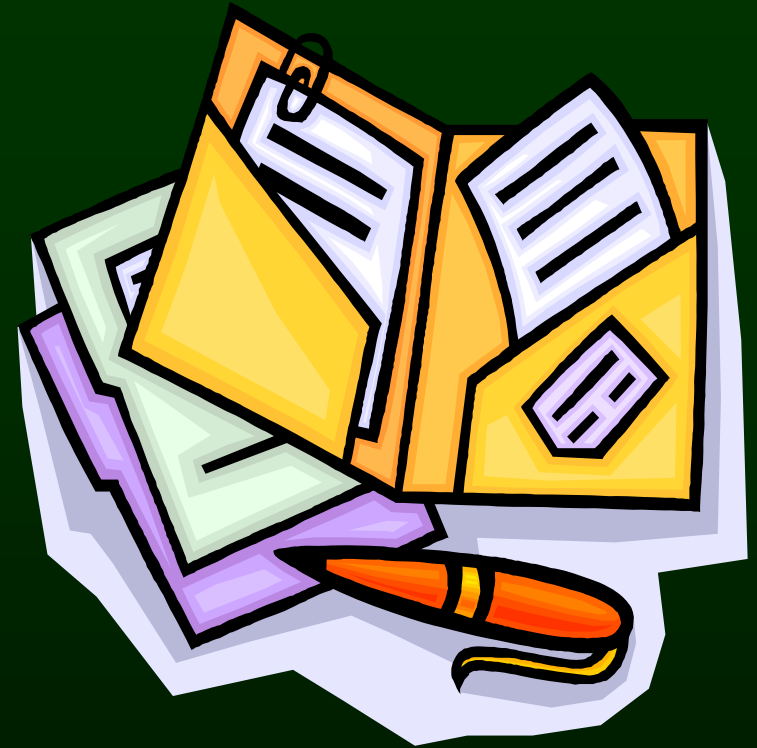
- Contracts



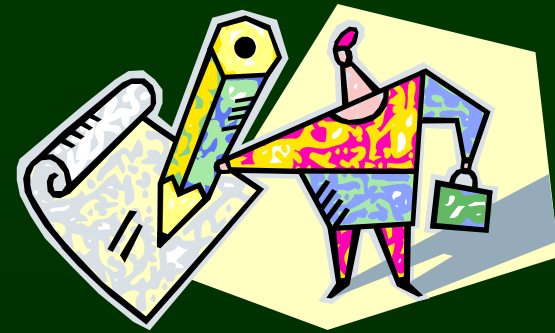
Private Payor Contract Issues

Most Common Problems:

- Contract Rates
- Contractual Payments
- Contract Provisions



AMA Report Card



Findings Include:

- Private payors paid correct contracted payment rate only 62-87% of the time!
- Wide variation in how often payors pay nothing in response to physician claim (3%-7%)
- No consistency in use of denial codes

AMA Report Card



Payer	Count of records	Contracted payment rate adherence percentage
Aetna	78,650	70.78%
Anthem BC	29,497	72.14%
CIGNA	28,072	66.23%
Coventry	4,919	86.74%
Humana	11,833	84.20%
UHC	134,542	61.55%
Medicare	898,672	98.12%



Contracts

New Contracts Based on Medicare:

- Blue Cross
- CIGNA
- United
- Aetna



Contracts

How To Determine Your Rates:

- Pull out copies of your practice's top 5 private payor contracts.



Contracts

- If you cannot locate the contracts – contact the contract department at the payor and request a copy along with a fee schedule



Contracts

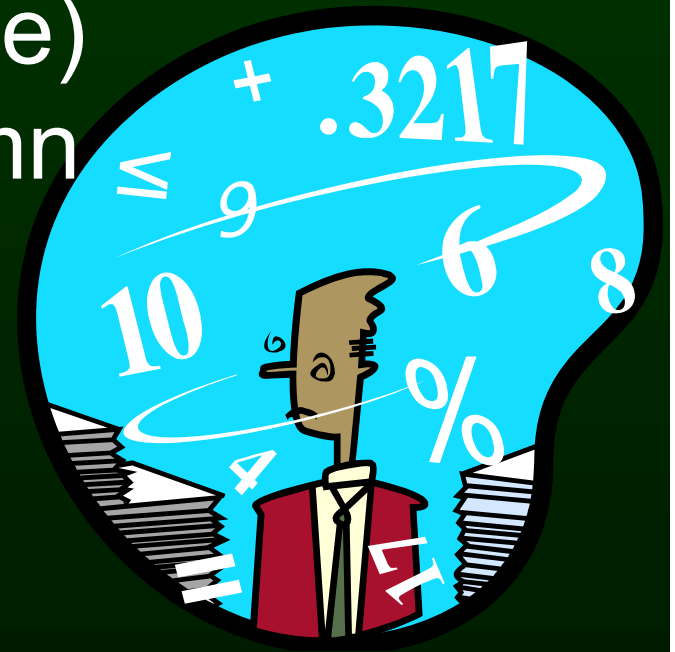


A close-up photograph of a computer screen displaying a spreadsheet. The spreadsheet contains several rows of numerical data. The top row shows '100,000', the second row shows '10,000', the third row shows '10,000', the fourth row shows '75,000', and the fifth row shows '\$205,000'. The text is slightly blurred, suggesting a shallow depth of field.

- Start a spreadsheet with your top codes down one side and each of your top 5 payors along the top
- Some payors may have multiple plans and multiple fee schedules
- Use Medicare as a benchmark

Contracts

- For each payor enter the contractual (fee schedule) amount in the first column
- Enter the percentage of Medicare in the second column



Contracts



		2007	Payor 1		Payor 2		Payor 3	
CODE	DESCRIPTION	Medicare	Contract	%	Contract	%	Contract	%
11100	Biopsy, skin lesion	79.10	94.22	119.12%	88.30	111.63%	71.19	90.00%
71020	Chest X-Ray	33.36	27.55	82.60%	37.23	111.63%	26.68	80.00%
90772	Ther/proph/diag inj, sc/im	18.57	19.73	106.25%	20.73	111.63%	16.72	90.04%
93000	Electrocardiogram, complete	23.78	28.60	120.27%	26.54	111.61%	21.40	89.99%
94640	Airway inhalation treatment	12.30	12.77	103.82%	13.73	111.63%	11.07	90.00%
99203	Office/outpatient visit, new	90.21	104.87	116.25%	100.69	111.62%	76.68	85.00%
99204	Office/outpatient visit, new	137.35	148.47	108.10%	153.31	111.62%	116.74	84.99%
99213	Office/outpatient visit, est	58.06	56.51	97.33%	64.81	111.63%	49.35	85.00%
99214	Office/outpatient visit, est	88.12	88.82	100.79%	98.37	111.63%	74.91	85.01%
99395	Prev visit, est, age 18-39	87.62	104.75	119.55%	97.81	111.63%	96.96	110.66%
	<i>Weighted Average</i>							

Contracts

- Payors routinely send “amendments” for physician signature that can significantly alter your payment rate or contract provisions.



Contracts



READ BEFORE YOU SIGN!!!!!!



Contracts



A close-up photograph of a computer screen displaying a spreadsheet. The spreadsheet contains several rows of numerical data. The visible values include 100,000, 10,000, 10,000, 75,000, \$205,000, and -250,000. The text is slightly blurred, suggesting a shallow depth of field.

100,000	
10,000	
10,000	
75,000	
\$205,000	
-250,000	

- Select several top volume codes
- Enter the amount received on EOBs in the another column or on a separate spreadsheet
- Look at several payments

Contracts



REIMBURSEMENT ANALYSIS							
		Payor 1		Payor 2		Payor 3	
CODE	DESCRIPTION	Contract	Actual	Contract	Actual	Contract	Actual
11100	Biopsy, skin lesion	94.22	94.22	88.30	83.76	71.19	71.19
20610	Drain/inject, joint/bursa	75.93	69.54	74.66	74.66	60.20	60.20
90772	Ther/proph/diag inj, sc/im	19.73	19.73	20.73	20.73	16.72	16.72
93000	Electrocardiogram, complete	28.60	25.79	26.54	24.86	21.40	19.86
94640	Airway inhalation treatment	12.77	12.77	13.73	13.73	11.07	11.07
99203	Office/outpatient visit, new	104.87	104.87	100.69	100.69	76.68	76.68
99204	Office/outpatient visit, new	148.47	138.74	153.31	153.31	116.74	116.74
99213	Office/outpatient visit, est	56.51	55.56	64.81	64.81	49.35	49.35
99214	Office/outpatient visit, est	88.82	88.82	98.37	98.37	74.91	74.91
99395	Prev visit, est, age 18-39	104.75	99.78	97.81	94.38	96.96	96.96
% Correct			50.00%		70.00%		90.00%

Contracts



- Check payments received to contract rates to verify that your practice is being paid appropriately
- Appeal any payment errors
- Note any error patterns
- Consider loading fee schedules

Recession-Proof Your Practice

QUESTIONS???



Thank You For Attending

For Further Assistance Contact:



BELINDA HOLMES, CPC, CCP

**SENIOR MEDICAL BUSINESS
CONSULTANT**

(941) 365-4617

(800) 966-8676

bholmes@kbgrp.com

