

# What to expect from a medical billing resource



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Medical practices face change from all fronts, from the Affordable Care Act and reductions in payments from payers, to advancements in technology and movement toward electronic records. In the midst of all this, medical practices must treat and care for an increasing number of patients, while making sure their organizations operate as efficiently and productively as possible.

At the core of this is medical billing.

While some medical practices may opt to use software programs and handle the manual aspect of medical billing in-house, others may prefer to use outside firms to handle all of the duties.

The following are six tips on what to expect from your medical billing resource in this period of change. Make sure your medical billing resource:

## 1. Helps to increase medical practice revenue.

The initial aspect of maximizing revenue is setting an appropriate fee for each code. Payers often update their reimbursement schedules annually. An astute billing resource will be vigilant about keeping practice fees higher than the maximum payer reimbursement.

Since the basis of revenue is coding, billing managers will ensure that your practice optimizes revenue by ensuring that all practitioners are coding correctly, and that medical

documentation – electronic or paper – supports the codes that appear on submitted claims.

Your billing department should be regularly looking over outgoing claims and meeting with practitioners for education about how to document and select CPT and ICD codes for the most accurate and highest possible level of service. As CPT and ICD codes change from year to year, you should be advised of new, changed and deleted codes in a timely manner. This allows the practice to integrate coding changes into their encounter forms, medical records and other relevant documents.

## 2. Follows sound, thorough and consistent billing practices, process and service.

Responsible billing is initiated only after the practice and every provider are enrolled with all payers with which a practice wants to participate.

After payer enrollments are established, a competent billing department develops and maintains an accounts receivable workflow that:

- Verifies that all patient demographic and charge data have been delivered to the billing department within a consistent and agreed-upon time frame after the service is provided.
- Collaborates with and supports the front office in creating and maintaining policies and procedures for daily patient check in, check out and over-

the-counter collections. Such procedures include accounting control for all monies, followed by daily balancing processes that reconcile each day's deposit to the payments posted to A/R for each date of service.

- Ensures that the following billing tasks occur daily and within all payers' timely filing limits: submitting claims, posting payments/denials, following up claims for which no payment or denial has been received, releasing patient statements and, of course, answering queries from patients, insurers, etc.

## 3. Knows how to get medical practice billing systems on track and keep them on track.

If a practice's front-end process has integrity and consistency, good billing management results in a predictable monthly volume of claims and reimbursement that mirrors practice production.

Given the fast-pace and detailed orientation of billing, combined with the many daily surprises from technology and payers, it's imperative that billers are able to prioritize and stay focused on the daily tasks (claim submission, payment posting, A/R follow-up, patient statements) that ensure consistent cash flow.

For example, when an Electronic Remittance Advice from Medicare is not appearing in the payment posting queue, what is the process for alerting management? Is there a decision tree

that allows the biller to know what action(s) to take to resolve the issue and by when she/he should post those payments manually?

A billing resource that is on track has taken the time to think of ways to mitigate most workflow interruptions without reducing this most important daily and meticulous focus.

#### 4. Knows how to establish new, reliable billing systems; knows how to update existing billing systems.

In this ever-changing payer and regulatory environment, it may become necessary to replace or update your billing system.

Many practices are resisting usage of electronic medical records (EMR); there is still time to implement an EMR and reap the remaining financial benefit from the government. Or, perhaps your practice is finally ready to take advantage of the available Physician Quality Reporting System (PQRS) incentives.

Your billing resource ought to have the awareness and experience to ascertain whether and how your current billing system can be set up or customized to implement such improvements. And, if your system is obsolete, billing departments should have the ability to select and implement a new system that will effectively and efficiently meet and keep up with the practice's more sophisticated requirements.

Even when your practice decides to stick to basic billing, software systems often have functionality that can improve accuracy, cash flow, and/or biller productivity. Since "time is money," ensure that your billing resource is taking full advantage of all features of your existing billing software tool.

## ***In the billing arena these days, no news is NOT good news.***

#### 5. Keeps your medical practice up to speed on all of the latest medical billing regulations, practices and procedures.

Responsible billing resources take the time to proactively inform providers of changes in the billing environment that will have an impact on reimbursement or cash flow.

How often does your billing office provide you with copies of Medicare Local Coverage Determinations (LCD) or Highmark Medical Policy Bulletins? Are providers regularly reminded of what specific diagnoses are approved to allow reimbursement for your most frequently billed procedures? Are you getting feedback about what payers are denying services and for what reasons? Are billing operations matters given a place on the practice's management meeting agenda?

A practice should expect to hear from its biller, at least quarterly, with billing-related highlights – from payers, the feds, the state, or the software vendor. There's always something that affects billing, positively or negatively. In the billing arena these days, no news is NOT good news. No news means that the biller's finger is not on the pulse of what's happening now – or will be coming shortly – that necessitates an adjustment to how a physician provides a service, how notes are to be documented, or what must be changed in the billing office to maintain maximum reimbursements.

#### 6. Is dedicated to accuracy in the processing of medical claims and timely, thorough and regular reporting.

Your billing department should develop and maintain a regular monthly *close schedule* so that practice stakeholders know exactly when to expect to receive reporting about billing, collections and A/R.

Billing management will have created and produced a report set that reflects financial data, which has been mutually agreed to by practice management, for full disclosure of the financial aspects that are deemed to be important.

Besides the typical Charges, Payments & Adjustments (by payer and/or by provider) and an Aged A/R Report (in summary or detailed format), Key Performance Indicators (KPI) are mandatory for gaining a full understanding of billing efficacy. These KPIs include:

- Gross Collection Ratio;
- Net Collection Ratio;
- Days in A/R; and
- Days Lag between Date of Service and Date of Billing

Benchmarking (perhaps comparison of the above to the most recent Medical Group Management Association survey) is also standard, and quite useful.

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