

A four-quarter schedule for medical billing management

The first three months of the year are a good time to make sure your administrative systems are functioning as efficiently as possible so that your medical practice can perform to the levels you want. This means maximizing productivity and profitability.

Maintaining a high-quality billing operation is a critical component of this process that requires constant attention. One of the best ways to approach management of your medical billing operation is to understand that it is well worth an investment of time and resources up front to ensure that throughout the year, you are achieving revenue goals.

A good way to manage this process is to do what any well-run enterprise does, and that is to break the year into its four quarters and follow a four-quarter medical billing timeline. Here is what we would recommend as an annual schedule to stay on top of the key management imperatives for a billing department to reap maximum revenues and assure integrity of processes:

1st quarter (ends March 31): Winter wrap-up

Look back at the prior year and prepare for the year's challenges.

Update CPT codes: Survey the CPT and HCPCS manuals with your physicians. Ensure their understanding of every definition change, deleted codes and new codes. Ensure that all updates are appropriately loaded into EMR/PM software before entry of any current-year data.

Update fee schedule: For the top 3 to 5 payers for your practice, obtain the new year's reimbursement for all services. Ensure that fees are appropriate; re-set fees as needed.

Forecast revenue: Capture the prior year's production by CPT and by payer and apply the new reimbursements. Then, estimate production for the new year. Look at the numbers by provider and/or by location. Does the practice need to adjust provider schedules? Open or close a location? Study the reimbursements by payer; what is changing at the payer level that will affect revenue?

Plan staffing and education: After understanding the revenue forecast and CPT changes, determine if your staffing is still sufficient. Does everyone have the knowledge they need to do their best?

Review and adjust workflows: Are all billing processes working effectively and efficiently? Walk through the operation and note areas that need improvement – or documentation.

2nd quarter (ends June 30): Spring into action

Based on the first quarter's findings, implement the staffing and workflow modifications.

Staff training/Cross training: Payers constantly change billing and reimbursement guidelines. Staff usually require regular training to ensure complete understanding, especially for writing insurance appeals. Having one-on-ones with each staff member allows management to uncover individual training needs. Don't forget to create a backup plan for each person, so when people are out ill or on vacation, no billing tasks are ignored or overlooked. HIPAA refreshers also are critical.

Update billing guides: For each payer, we keep a copy of the latest Local Coverage Determination or Medical Policy Bulletin for the most commonly billed services. That way, when staff is covering for a co-worker, they have operational support for all basic processes – for interacting with the payer and for optimal usage of the PM software.

Software feature implementation and/or improvements: Most of us utilize EMR and PM systems that have numerous valuable features; we often don't have the time to implement all of them. Use these months to select at least one feature that you determine will provide a tangible benefit to your billing operation. If you can't find one, just ask your billing team.



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**3rd quarter (ends September 30):
Summer slide-through**

Make sure that revenue is on track. Cover all your bases even when short-staffed.

Mid-year analysis of forecasting accuracy: Most practice managers watch the numbers closely every month. But, if the analyses are not shared with the billing department, take the time to perform a “billing-centered” analysis. Are you collecting what you expected? For every service? For every payer? If the collection numbers don’t match what was anticipated, identifying the reasons for the mismatch may lead you to what in the billing operation needs to be adjusted.

Vacation coverage: This is the time to test how well your team integrated their cross training. Remember, summer-time is vacation time for payers, too. So, your practice may experience slower responses to your appeals. Keep an eye on the Aged A/R to ensure attention is paid.

4th quarter (ends Dec. 31): Fall forward

As the year winds down, it’s time for billers to harvest all available knowledge about new diagnosis codes. We expect that 2014 will be one of the most challenging we’ve seen in a while, as ICD-10 is integrated into providers’ awareness, EHRs and PMs.

ICD updates: Ensure that all providers and billing staff fully understand ICD coding, and that all systems are updated completely and accurately.

Encounter form updates: Whatever format the providers use to report the codes they select for billing, ensure that those systems or forms are completely revised and understood by all. This is the source for your claims which need to be correct upon initial submission.

Collection processes, especially self-pay: With the trend being that patients carry higher deductibles and copayments, it’s critical that your billing operation include clearly thought-out policies and procedures for collecting patient-due account balances. Take the time to obtain legal counsel to write a policy that meets state and federal fair debt collection guidelines. Obtain input from the practice’s principals to ensure that your billing office is implementing the policy according to the practice philosophy.

Follow your medical billing management plan

By having a plan in place like this, at the end of each quarter, you will know what you were able to accomplish and what still may need to be addressed in the next quarter. At that point, you can make adjustments.

You and your staff will have a better sense of day-to-day priorities by following a larger plan so that as you make both major and minor medical billing management decisions, you are more likely to have all of the information you need to make an informed decision.

Most importantly, by being better organized, your medical billing systems will better deliver maximum practice revenues.

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