Nuesoft™ xpress

Nuesoft™ 15 YEARS

Enhancing Revenue Through Insurance Billing

Notes from the online roundtable session held Thursday, May 29, 2008 at 3:00 p.m. EDT. Presenter: Libby Greaney, MHA, MBA.

Would you recommend billing in-house or outsourcing?

- Billing in-house allows you to keep control and maximize revenue.

How long did it take to implement in-house billing?

- It took between five and six months. You can start gradually and work up.

On the charges vs allowables page of your presentation, you indicated that you only got the allowables based on that particular payer. Does that only apply if you're a participating provider?

- Yes, if you're a participating provider, you accept the payer's allowables. If you're out of network, you can charge the patient the difference.

Do you recommend billing by fee schedule to help eliminate the adjustments?

- Your charges will depend on how much competitors are charging and how much insurance companies are paying for a particular service.
- Yes, probably you want your charges as close to the allowable as possible to minimize adjustments, but you'll have a choice. There's likely to be one company that pays $90 for a particular procedure, say, and the rest pay closer to $70. You can charge $90 and then have to contractually adjust most of the time, or you can charge $70 and not have to.

Would a contract with a payer influence the amount of time that my NPs can spend with our students?

- That's a hard question to answer. Yes, it would probably influence it, but of course you have a standard of care to adhere to. You're reimbursed according to the procedure code and you bill according to the complexity of the procedure. The more complex it is, the more you will get paid and the more time you can take.

Does your health center have to go through an accreditation process before you can participate in third party billing?

- There's no accreditation process. You do have to fill in a credentialing application. Additionally, a representative from the insurance company may come by to audit once a year or so. Generally, they'll be checking quite basic and obvious things; for example, do you have working fire extinguishers, do you have a sign on your door with details of what patients should do after hours, and so forth.

The presentation mentioned a likely need for additional personnel. What sort of personnel?

- You'll need an accounts receivable associate, someone who can post payments, understand your billing software and reconcile your accounts. You'll also need an insurance coordinator. This person will be on the phone most of the time, following up on claims with the insurance companies. Essentially, this is a collections function.
- All this being said, you can start off as we did with your regular staff and student workers who've signed confidentiality agreements. Start off with that grass roots approach and then gradually refine and grow your staff as needed.

What's your experience with out of network claims?

- Western Kentucky University has had a pretty good experience with these types of claims. Generally reimbursement is about 60 percent of the charge.

How do you manage uninsured patient charges?

- You can bill the patient directly. You can also figure out ways to make it easier for uninsured patients and set up payment plans or prompt pay discounts. If they're students and they're not sticking to their payment plan, you can always put a hold on their account.

Did the scope of your staff specialties have to increase?

- Most of us in the college health setting have family and internal medicine experience. You should know your limits and refer out to specialists when appropriate.

How much have you had to write off annually based on being a participating provider for insurance companies?

- There's no "write-off". There are contractual adjustments, but the important thing to remember is that this is not lost money, because the reimbursement is almost never the same as the charge. As long as you have these set at the right levels, you're still making a profit. Contractual adjustments for WKU are about $100,000 - $150,000 per year.

How much has revenue increased at Western Kentucky University health center since you started billing?

- Our revenue has increased by about 65 percent since we started insurance billing. The extra revenue has allowed us to build a new health center.

Do you ever negotiate contractual allowances with an insurance company before signing a contract with them?

- We have never felt we had to do this. We compared the amounts that insurance companies were paying other institutions and it was fair, so we've never negotiated.

What is involved in the credentialing process?

- Ask the insurance company for an application to become an in-network provider. The application will ask for details of education, NPI number, training, board certification, malpractice information and personal information.

Is there a guide or any other sources of information available on this subject?

- There are consultants who can help with the initial process, and I can send those of you that are interested a list of a couple of the good consultants, (e-mail libby.greaney@wku.edu,) but the insurance companies will also help you with the credentialing process. Additionally, a magazine called "Medical Economics" (on the Web at http://medicaleconomics.modernmedicine.com/) is just one publication that you may find helpful. MGMA also is a good resource, with lots of archived articles on every aspect of billing and coding: http://www.mgma.com.

Will I have to fill out a different credential application for each individual insurance company?

- It used to be the case that you had to fill out a separate application for each insurance company. However, the Council for Affordable Quality Healthcare (CAQH) has an online form that its participating organizations will accept – visit their Web site at http://www.caqh.org/credapp/ for more details – which will cut down on the number of forms you will need to complete.