5 Steps to Prevent and Manage Denials

Benchmark Systems

STEP 1

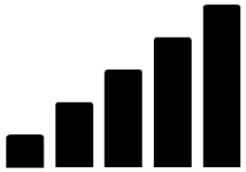
Calculate your denial rate

STEP 2

Identify your top denial reasons

STEP 3

Implement eligibility verification



STEP 4

Improve coding

STEP 5

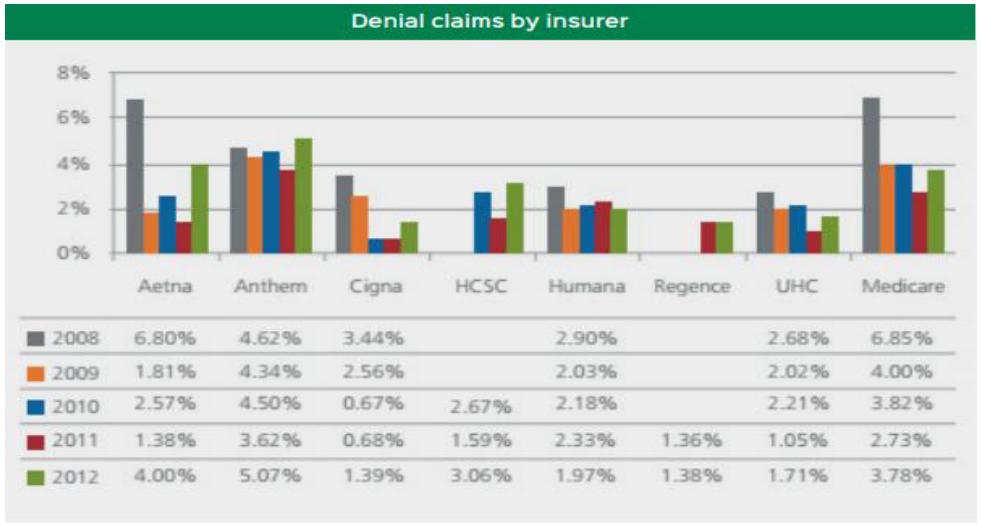
Follow up on denials

There comes a time when your medical practice should probably stop blaming payers for your medical billing mistakes, especially if your claims denial rate is higher than 4%, which MGMA touts as an efficient benchmark.

According to medical billing and practice management expert Elizabeth Woodcock, it can cost as much as $15 to follow up on each denial. So, it's important to take action towards identifying, understanding, and managing these claims mistakes before your medical practice spends any more money on denied claims.

Manual errors, input oversights and coding issues are normally at the root of costly claim denials. Not only do these small mistakes cause lost or delayed revenue to your practice, but they also signify an avoidable cost to your medical practice.

This guide provides five simple ways to prevent denials before they happen, and tips on how to quickly follow up and resolve denials afterwards.



	Aetna	Anthem	Cigna	HCSC	Humana	Regence	UHC	Medicare
2008	6.80%	4.62%	3.44%		2.90%		2.68%	6.85%
2009	1.81%	4.34%	2.56%		2.03%		2.02%	4.00%
2010	2.57%	4.50%	0.67%	2.67%	2.18%		2.21%	3.82%
2011	1.38%	3.62%	0.68%	1.59%	2.33%	1.36%	1.05%	2.73%
2012	4.00%	5.07%	1.39%	3.06%	1.97%	1.38%	1.71%	3.78%

Source: 2012 National Health Insurer Report Card, American Medical Association. Question: "What percentage of claim lines submitted are denied by the payer for reasons other than a claim edit?" According to the survey, a denial is defined as the allowed amount equal to the billed charge and the payment equals $0.

Step 1
Calculate your denial rate

(_____ / _____) * 100 = _____

Total Claims with with at least one line item denied — Total Claims File — % Denied

(_____ / _____) * 100 = _____

Total line items (CPT Codes) billed — Total line items (CPT Codes) Denied — % Denied

Step 2
Identify your top denial reasons

Start step 2 by running a report that shows your top 10 to 20 claims denial reasons.

Most likely this will include issues like (1) incomplete insurance information, (2) missing information, (3) claims that lack specificity, (4) claims not filed on time, and (5) patient eligibility problems.

As you identify each issue, work on a plan to address that problem and reduce the instance in your practice in the future. Using practice management software that also provides alerts when claims are denied or when a response has not been received for claims within a specified period of time can help your staff to quickly move on problem items.

Step 3
Implement eligibility verification

The most frequent type of denials in medical billings are those that are related to registration.

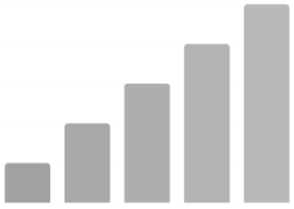
Registration denials center on the patient's eligibility for insurance coverage, or possibly, the lack thereof. Because most registration denials ends up as patient bad debt, it pays off to make pre-visit eligibility verification an integral step in your practice's registration process.

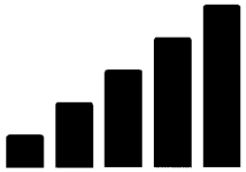
To do so, have your staff download your schedule of upcoming patient appointments into an automated eligibility system if your current billing system does not support eligibility verification, or perform real-time edibility verifications. Doing this a few days prior to the patient's appointment will allow time to contact those ineligible patients about alternative insurance or payment. You can also take this time to communicate with those patients about your expectations for payment.

Step 4
Improve coding

The second most common cause of denials is inaccurate coding, so make sure to frequently perform coding audits and coding trainings, especially with the release of the 69,000 code ICD-10.

Keep in mind that coding accuracy can be greatly improved with an EHR, and even more so with an integrated practice management system. An EHR system will help your providers document more comprehensively and code more accurately, and a practice management system will scrub the claim for errors or issues before it is submitted.





Still Worried About Your Denied Claims?

Demo our Medical Billing Services

Managing the business of your medical practice can get in the way of practicing medicine. That's why AntWorks offers an array of Medical Billing Services to lighten or completely eliminate the burden of the business side of your practice.

Maximize Your Reimbursements

AntWorks Medical Billing Services collects your maximum reimbursement, with a 95% first submission cycle payment, at the least possible cost to your practice. That's what 40 years of experience and superior cloud technology can do for your practice. In fact, our typical client experiences a 10-15% increase in collections the first year of utilizing our services. With AntWorks Medical Billing Services you will actually gain visibility and retain more control of your cash flow. Our fees are based on a percentage of collections, dependent upon your specialty, which means we don't get paid until you get paid.

Trust Our Billing Experts

Our employees, which include certified coders and CPCs, and are experts in handling claims submissions, eligibility verifications, denial management and follow-ups. We have developed strong relationships with the staff at most of the government and commercial insurance companies. We are experts on the ever evolving regulations and edits that potentially interfere with your every day payments.

Benchmark Your Path to Success

We will benchmark your collections against your previous year's results and the industry standards of your specialty and size on a monthly basis, leaving no doubt about our partnered success. Coupled with in-depth data analysis, comprehensive reporting and joint management meetings, our measurable assessment capabilities give you the insight to see just how well we're working for you - and how well your practice stacks up against its peers.

In summary it's your receivables, but it only counts if it is collected. By leveraging the strengths of both organizations, AntWorks Medical Billing Service helps you eliminate the hassles of practice management and gets you back to providing the highest quality patient care.