



Most Billing Mistakes

# AREN'T SO OBVIOUS

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## Avoiding 10 Common Billing Mistakes That Slow The ASC Revenue Cycle

By Angela Mattioda, Vice President of Revenue Cycle Services, Surgical Notes RCM

**E**ffective revenue cycle management is the most important factor in maintaining the financial health of an ambulatory surgery center. The revenue cycle is comprised of several codependent processes that rely on both ASC software technology and billing expertise. The revenue cycle process begins with the capture of patient information at the time of scheduling. A complete solution also includes timely transcription services, precise coding, claims management, collections, managed care contracting, and strong business intelligence analytics. A mistake made at any point throughout the revenue cycle process can negatively impact a facility's bottom line.

To help keep billing errors at a minimum, here are 10 common revenue cycle mistakes made by ASCs and guidance to avoid them.

**1. Failure to thoroughly verify benefits and receive appropriate authorizations.** Prior to the date of surgery, verify eligibility of the claim and the claim address with the payer to understand coverage and determine the party responsible for payment. Significant delays in reimbursement may be experienced if the claim is not sent to the correct managed care plan, independent practice association, carrier, or home plan. Also, obtain authorizations for the correct procedure and include implants and costly supplies.

When working with out-of-network carriers, ask specific questions related to a case's reimbursement to determine the case's profitability. As an example: If the carrier is United Healthcare, ask if it is a maximum non-network reimbursement plan and if payment is based on the Medicare fee schedule. If the carrier is Aetna, ask if payment is based upon reasonable and customary fees or the Medicare fee schedule.

Pre-negotiate coverage with adjusters for any uncovered procedures and/or implant(s) and obtain commitments in writing.

**2. Unnecessary or inappropriate discounts.** ASCs should not be compelled to reduce a patient's financial responsibility. While there are appropriate times to provide hardship discounts, routinely waiving or discounting patients' financial responsibilities will negatively impact the facility's bottom line. Additionally, this practice may violate certain insurance contracts as payers expect providers to collect fees not covered by insurance.

To collect what is owed to the facility, communicate the patient's financial responsibility prior to the date of service. Offer payment alternatives to help patients meet their obligation and retain copies of any such agreement in the patient chart.

**3. Failure to address local coverage determinations.** Common reimbursement delays can be reduced by knowing your procedure's LCDs. Understanding the appropriate LCDs is necessary for thorough documentation which will prevent medical necessity denials.

**4. Incomplete patient information.** To ensure accurate coding and billing, it is imperative to assemble a comprehensive patient chart. This includes all medical records, patient payment receipts, promissory notes/payment plan agreements, implant log/invoice, patient identification, insurance identification, and insurance verification and authorization.

Coders should have access to the complete patient record to avoid delays that will impact reimbursement. The coding team will often need to review medical records, pathology reports, and history and physical documentation in order to assign the most appropriate CPT codes, diagnosis codes, and modifiers.

Note: Provide implant logs or invoices to billers or the revenue cycle vendor to avoid lost revenue due to unbilled implants.

**5. Poor contracting.** One of the fastest ways to damage financial performance is agreeing to inadequate payer contracts. Skillful contract negotiation helps ensure that an ASC's interests are considered fairly and appropriately.

Perform a comparison of the proposed contract to other third-party payer and Medicare rates. When contracts are renegotiated, consider new procedures to be added, increases in supply costs, and other factors that can improve reimbursement.

Do not overlook procedures that use expensive implants. If the payer does not separately cover implants, make sure to ask for carve-outs, especially for higher-cost cases.

The entire revenue cycle team should understand the ASC's contracts to help ensure proper payment according to negotiated rates and terms.

**6. Lack of expeditious appeals process.** Receiving an incorrectly contracted or low OON payment is frustrating. With ASCs striving to run a profitable, high-quality facility, appealing claims can feel like a distraction from other critical tasks. However, the timely appeal of incorrect payments is vital to a facility's financial stability. Erroneous payments for contracted carriers should be addressed quickly before they become a pattern. Ensure that the carrier has properly loaded the most recent version of the ASC's contract.

Appealing OON cases is equally important. With OON carriers

scrutinizing claims more closely, it is important that the business office team has experience working such claims. Many OON carriers will make a low initial payment followed by a larger percentage of payment during the appeal process.

**7. Failure to monitor key performance metrics.** To identify revenue cycle problems early and enact lasting improvements, ASCs must monitor and benchmark key performance metrics. Without measurable, actionable data provided by strong business intelligence capabilities, it is substantially more difficult to determine and correct the root cause of revenue cycle problems in a timely manner. Examples of reimbursement delays identified by insights into the revenue cycle include:

- *Charge Lag Over 5 Days:* If the facility's charge lag is over five days, it is important to determine and correct the source of the problem as quickly as possible. Potential reasons include dictation delays, incomplete chart packs, or slow submission of claims data.
- *Accounts Receivable (A/R) Over 90 Days in Excess of 15 percent:* Utilize reporting data to determine what may be driving an increase in revenue over 90 days. The source may be attributed to numerous unpaid claims, patient balances, or unadjusted accounts, or a lack of follow up and maintenance on the A/R.

It is also critical to know claims rejection and denial percentages to identify the underlying reasons and take corrective action.

**8. Neglecting payment posting.** Payment posting is a process that should be performed properly and in a timely manner. Daily payment posting and maintaining a current reconciliation are strongly recommended. Explanation of benefits should be thoroughly reviewed and understood by payment posters to help identify indicators of payment issues or processing errors.

It is also important to stay on top of credit balances to minimize bad debt write-offs. Balances should be dropped to the secondary insurance or patient as soon as the claim is correctly adjudicated.

**9. Unreconciled billing.** It is very important for ASCs to reconcile billing to ensure all performed cases are billed. It is equally important to track and understand the reasons for unbilled cases. It is not uncommon for billers or billing companies to miss reconciling the billing to the clearinghouse. Rejections and denials should be monitored through the clearinghouse.

**10. Coding errors.** Coding is one of the most important functions in the revenue cycle. Common errors have the potential to significantly impact financial performance. These include not coding at the highest level, missing implants, not coding

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bilateral procedures, not using the correct modifiers, unbundling, and not coding for payable supplies. Per Medicare guidelines, CPT codes submitted should be the same between the surgeon and the ASC. Communicate regularly with surgeons' offices to avoid payer delays due to coding discrepancies between claims.

If coding is performed at the facility, ensure that the coding team receives ongoing ASC coding training and education on the most current coding rules as well as changes in federal regulations. If coding is outsourced, employ a vendor partner staffed with experienced, certified ASC coders.

#### **Take control of your financial health**

Effective management of the revenue cycle, from scheduling to payment, by certified, skilled professionals is the single most important factor to positively impact the financial health of an ASC.

To determine the financial health of your facility, request a revenue cycle assessment from a leading revenue cycle management vendor to identify current process and workflow weaknesses.

If staffing a skilled revenue cycle team is a challenge, consider outsourcing. Significant efficiencies and bottom-line improvements can be realized by partnering with a vendor that offers leading technology solutions and services throughout the continuum of care.

On a final note, partner with a vendor that offers complete transparency and control of the ASC revenue cycle along with key analytics, actionable insights, recommendations, and proven strategies. Such offerings will maximize the ASC's efficiency, profitability, and physician disbursements. ■



Surgical Notes is a nationwide provider of revenue cycle solutions that include transcription, coding, billing, and document management applications for the ASC industry. The largest management companies and over 20,000 healthcare providers trust Surgical Notes' cutting-edge, innovative solutions to enhance the financial strength and performance of their ASCs. Surgical Notes' team of certified, experienced professionals, in combination with strong business intelligence analytics, provide customized, data-driven revenue cycle strategies.

By assimilating Surgical Notes' products and services, ASCs have access to an enterprise revenue cycle solution geared toward maximizing profitability, physician disbursements, and business office efficiency. Contact us at (800) 459-5616 or visit [www.surgicalnotes.com](http://www.surgicalnotes.com) to learn more.

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