

5 Ways To Get Paid On Time, Every Time

By Tom Necela, DC

Regardless of what chiropractic technique you use, how small or large your practice, where you are located, or even how long you have been in practice, there is one common element that can literally make or break your financial well-being, and it affects us all. It is, simply, getting paid for what you do.

You may laugh at the elementary nature of such a basic premise, but do not be misled by the fact that it is not difficult to understand. It is easier said than done. In fact, there are thousands of chiropractors in practice who are working for pennies on the dollar and literally pulling their hair out trying to collect the "scraps" that they earned off the insurance "table" or having to play bounty hunter to track down patients who skip town without paying their bills.

Frankly, no matter what type of practice you run - insurance, cash, PI or a mix of everything - you absolutely need to get paid for what you do. I don't think any DC will argue with me on this point. Amazingly, although everyone will admit this is a critical element to the financial success of their practice, few DCs spend any time studying exactly how to get paid consistently, promptly and equitably. The following are five strategies that aim at one goal: to get you paid on time, every time. Here they are:

Reject the "I Forgot My Wallet (or Purse)" Excuse. This is a practice killer that is perhaps the most common mistake that needs to be banished from your office, which is why it is discussed first. To truly get rid of this problem, your staff needs to be trained to deflect this mindset first. The primary challenge I often see with practices that suffer from poor OTC collections is their mindset or attitude towards collections. Can you imagine a grocery store checkout clerk letting you out the door without paying for your groceries? Most people would never even approach the checkout counter if they realized their wallet was not with them. Our staff should convey the same sense of connection with regards to the patient's financial responsibility to pay for our services. As practice owners, we need to educate staff that this mindset and its resulting excuses are simply not tolerated under any circumstances.

Create a Backup Plan to Eliminate Missed Payments. With the myriad of payment options in existence, there really is no reason for collection failures if you have a backup plan in place to cover all the scenarios that can happen at the front desk. Patient forgets their wallet? Keep credit card or checking info on file. Have the patient call their spouse and process their credit card info over the phone. Patients can't afford to pay their entire balance at once? Participate in autodebit plans that allow patients to pay balances in installments or for your office to draft payments from their checking accounts. How about creating a consent form that gives you permission to do any or all of the above when necessary so that this problem is eliminated before it ever happens? A little creativity and proactive thinking will go a long way in making sure you are paid in a timely fashion from your patients.

Always Verify Insurance Beforehand. In the area of billing and collections, surprises are just not fun. Patients want to know what their estimated costs are prior to starting care and don't appreciate receiving an unanticipated statement in the mail indicating they owe a balance. Similarly, you should have a concrete idea of what the patient's coverage will entail before care is rendered. According to a Health Insurance of America study, 22 percent of claim denials are due to a lapse in coverage, or noncoverage issues. The only way to make both parties happy in these scenarios is to verify insurance prior to the patient's first visit.

Most offices that I visit have CAs who attempt to do this, but often fall short. In this area, I give all my consulting clients the same advice. Here it is: accept no excuses. Ninety-eight percent of all new patients start with a phone call. Have your CA get insurance info as a part of that first call. If the patient doesn't have it with them, find out how they can get it to you prior to their appointment. That may mean another phone call, a fax or an e-mail. It also may involve another staff member to tag-team the effort to get the info. Quite frankly, I don't care how it gets done, so long as it does get done prior to that visit. Finally, as the doctor and CEO of your business, don't get involved in idle threats. If a new patient comes in without their insurance verified, dish out the consequences and make them severe enough that your staff will learn quickly.

Scrub Claims Before You Send Them. A recent study by the American Medical Billing Association found that 20 percent of claims were denied for a lack of information. Essentially, that means something was missing from the claim form. In some cases, that "something" could have been a patient ID#, a diagnosis code, an NPI number - virtually anything. Regardless of what was missing, it is important to submit claims accurately with all the required information completed. Failure to do so will result in your claim being denied or delayed 100 percent of the time. Many billing software programs and electronic claims clearinghouses offer "claim-scrubbing" software that detects errors and allows you to fix them prior to

submission. Use this technology. Even if your software doesn't offer this feature, manually checking claims (at least some of them) for errors can drastically reduce delays or denials and improve payment turnaround times.

Know Your Prompt-Pay Laws. For those of you who run a tight ship and are already using the strategies discussed above, dealing with slow-paying insurance companies may be your greatest struggle. While sending insurance tracers, making phone calls to the customer-service reps or even faxing threatening letters to the insurance company may spur some action, knowing your legal rights is often the most effective weapon you can use to assure timely payment.

At the time of this writing, most states have laws that require insurers to pay "clean claims" within a certain time frame or they may face penalties. In 1999, the State of Georgia fined various HMOs \$1.5 million for failure to pay claims promptly. In 2001, California fined an insurer \$3 million for the same. One of the biggest examples occurred in Texas, where 47 insurers were required to pay \$32 million to providers and an additional \$15 million in fines. Insurance companies know the law. Show them that you know the law as well and demand they adhere to it. If you would like a list of prompt-pay statutes for the state(s) in which you practice, along with a sample appeal letter for this purpose, feel free to contact me and I can provide you with this info, free of charge.

Getting Paid Is Essential

I may not know about the specific or unique challenges that face your practice, but I can tell you this: any one of the above strategies can help you get paid in a more timely fashion if you begin to implement them consistently in your office. Considering that the average doctor spends 21 days per year in claims-related work (according to a University of California at San Francisco study done in 2009), taking a few steps now to make sure you are paid will help you tremendously in the long run. Whether your practice is cash, insurance or a mix of the two, getting paid for the work that you do is essentially to your chiropractic survival and success.

Dr. Tom Necela maintains a private practice in Washington state. He is also the founder of The Strategic Chiropractor, a consulting firm for chiropractors. Dr. Necela can be contacted with questions or comments via his Web site, www.strategiccdc.com.



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