A 10-Point Billing Office Check-Up

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Because medical oncologists provide evaluation and management services as well as expensive chemotherapy drugs and infusion services to their patients, and usually do so without the help of a large hospital or other organization, it's important to get the billing part right. Although the basic processes are similar to that of other specialties, a great deal more is at stake. Failure to fully and accurately bill for oncology drugs and their administration not only means the oncologist isn't being paid for services rendered, it means staff time and pharmaceutical expenses already paid by the physician will not be reimbursed.

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Oncologists rely on their billing departments while busy with the practice of medicine. As long as things don't change much month to month, they want to believe everything is okay. This article presents seven key queries physicians should consider for their billing manager or billing service. Exploring these issues and implementing the recommendations offered may cause some discomfort, but implementing them can help assure the financial viability of the practice and serve as a learning experience for all involved. In the immortal words of Ronald Reagan, "Trust but verify!"

The following queries fall in order of priority and where your greatest opportunities for improvement may lie:

1. How do you verify that services rendered have been billed correctly? For example, if you provide a patient with 40,000 units of epoetin alpha, be sure 40,000 units are billed, not 4,000. (This happens!) Be sure the correct administration fee is billed for every administration of chemotherapy, nonchemotherapy infusions, hydration, and injectables. As with drug units, administration units can be missed. If you have provided an 8-hour chemotherapy administration, be sure you have billed for 8 hours and that those 8 hours are properly documented and accounted for as initial, subsequent, concurrent, or additional.

Just as you would have your accountant audit the practice's financial statements or ask a coding auditor to review evaluation and management coding to ensure compliance with Medicare standards, your bills should be audited to assure they are complete and accurate. A billing audit should provide a line-item review, comparing services billed to the clinical record for each occasion of service. If done in a timely fashion, any errors uncovered by such an audit may result in additional revenue as the additional found services are billed. A billing audit is time consuming and labor intensive, and is best performed by an outside entity that can give you an objective review and thorough follow-up recommendations.

The corollary is that items accidentally overbilled should be refunded. Our experience has been that oncology services are underbilled an order of magnitude more often than overbilled. Most often we find one or more of three conditions: too few units for an item of service, a service not billed at all, or a date of service missed entirely.

2. Are you collecting copays? Not all insured patients have full copay coverage. In the ASP+6 Medicare environment, not collecting the 20% copay on one drug puts you 14% below ASP. Assuming you paid ASP for the drug, you lose money every time you give up a copay. Every patient's copay status should be understood and explained to the patient before initiation of any therapy. For those with some individual responsibility, collection of the copay at the time of service is ideal. At the very least, an explicit understanding of patient responsibility and commitment to payment is needed. Only in this way can you establish payment expectations for those who don't have adequate copay coverage.

3. Are bills being sent out in a timely fashion? If you see a patient on Monday, the bill for that visit should be going out the door no later than Wednesday. The exception is when your billing staff identifies problems and returns the charge document to a physician for correction. This should happen no more than 5% of the time.

As discussed in query 1, the caution here is that charges also need to be billed accurately. If you need to speed up the billing process, just be careful it is not done at the expense of accuracy.

4. Are payers paying the contracted amount? If your patient accounting system does not provide a contract management component, business office staff should at least be sampling explanations of benefits to ensure that payers are meeting their contractual obligation. If your billing system has this capability and you are not using it, be sure to turn it on.

5. Once the bills go out, how quickly are you collecting what you are owed? This is typically measured by the calculations

for day's revenue in accounts receivable or day's sales outstanding. If your practice generates charges of \$1,000 per day and your total accounts receivable is \$50,000, then you have 50 day's revenue in accounts receivable. (There are different ways to calculate this value. The key is to select a method and use it consistently.) If you know your accounts receivable days and you have expectations for your billing staff to manage that number, be sure you have a clear and stringent policy on writing off accounts. Writing off accounts is one way to reduce accounts receivable days without actually collecting the money.

6. Are your claims being collected? Far too frequently payers will either reject or simply not pay a claim. Follow-up calls should be made to insurance companies that have ignored claims, appeal letters must be filed for rejected claims, and Medicare appeal hearings attended. If not, these unpaid and rejected claims eventually become uncollectible and are written off. Claims are time sensitive and must be treated with due regard for timeliness issues.

7. Is the practice participating in all patient assistance programs? Our recommendation is that someone in the business office be primarily responsible for understanding these programs, their various criteria, and who to contact to enroll patients. Properly enrolling patients in these programs

can enable the practice to at least recover the cost of a drug when providing care to those without insurance or to those who are underinsured.

An old management saw states, "What gets measured, gets done." Your practice is your business and your livelihood. In the ever-evolving reimbursement environment, you cannot afford to allow dollars to leak out of your patient accounting process. Set measurable standards for your billing and collection procedures, assure adequate safeguards are in place to avoid end-runs around these standards, and periodically audit the results of the billing and collection process so you know your systems work and your practice remains financially strong.

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