How to improve worker's comp billing and collections

Payment delays, authorization hassles, and excessive paperwork can make handling workers' compensation cases seem like a losing proposition. But in the several states where treating injured workers can pay well, medical practices are figuring out how to cut through the clutter.

In Georgia, the 24 orthopedic specialists at Peachtree Orthopaedic Clinic PA in Atlanta have pursued the business with a passion. Today, workers' compensation accounts for 22 percent of the group's payer mix, compared to just 12 percent four years ago, according to the group's CEO, Michael J. Pulaski.

"We have it down to a science -- tracking the patient and all the related forms and contacts that need to be made every step of the way, from when they first call for an appointment to when they are cleared to return to work," Pulaski says. He adds that the group employs a marketing professional who spends 50 percent of her time on the group's workers' compensation business. Pulaski and others point out that even when reimbursement rates are adequate, the bigger challenge can be getting timely reimbursement. Regardless of whether or not your state does a good job of enforcing prompt reimbursement laws, as does Georgia, or has created a sophisticated online claims system, like Ohio, you'll have a much better chance of making workers' compensation worth the effort by:

- paying attention to detail,
- communicating frequently with payers and employers,
- deploying technology,
- carefully monitoring reimbursements.

For some specialists, especially orthopedic and neurological surgeons, workers' compensation patients can bring steady income as well as interesting clinical challenges.

"You always hear practices say they don't want workers' comp because the paperwork is so intensive and the great need for communication, but we decided to handle it because the reimbursement is worth it, and we think the patients are worth it, too," says Cynthia L. Dunn, the practice administrator at Bluegrass Orthopaedics, a group of seven orthopedic surgeons in Lexington, Ky. Lisa Meeker, who is workers' compensation manager at Bluegrass Orthopaedics, adds, "Most patients don't want to be off work. They want to know what's wrong and how to get well.

The practice, which also employs five physician assistants and five physical therapists, provides X-ray and MRI services in addition to physical therapy. In all, workers' compensation makes up about 10 percent of its annual charges. Workers' compensation claims average 30 days in accounts receivable (A/R) at the practice, which Dunn says is about the same as for other payers' claims. Physicians find that treating workers' compensation patients can bring new challenges, explains Donald Langenbeck, a physiatrist with Peachtree Orthopaedic Clinic.

"It's another one of those things that's not taught in medical school," Langenbeck says. "The vast majority are like any other patient -- they're motivated to get well, but you have to be on the lookout for the few that aren't so motivated because woven into the injury is the person's work situation which affects their motivation to get back on the job."

Speedy and adept handling of paperwork and swift scheduling of appointments so that workers can return to their jobs faster help a medical group market its services to employers, notes Pulaski. To get workers back to work even faster, some states have expanded the range of services that medical practices may offer to injured workers, such as allowing them to disburse certain medications.

"[Workers' compensation] has been a good line of business for us," says Marilyn Orr, the administrator at Dover (Ohio) Orthopaedic Center. "But it does come with an administrative burden and the A/R can be slower. How you succeed is in managing the bureaucracy."
The Dover physicians find that assigning staff to exclusively handle certain workers' compensation billing matters makes the process run smoother. "It is such specialized knowledge that you really need someone who understands it and who can develop systems to track it all," Orr says. "We assigned one person to follow it and she takes care of workers' compensation from beginning to end."

In addition, Dover Orthopaedics assigns one member of its billing staff to post workers' compensation charges immediately after each visit. Before charges are posted, the clerk verifies that information the patient provided at check-in was correct. "We make sure it's correct -- from the right address to making sure the workers' explanation of events is the same as what they told their employer and the insurance company," she says.

Of course, it helps to be in the right specialty. Workers' compensation revenue is critical to many orthopaedic surgery practices and can help support ancillary services such as radiology and physical therapy. "We can see patients, get them an MRI if needed and into physical therapy the next day," Orr says. "Not too many groups can do that but that's what we offer to our local employers."

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Some states pay workers' compensation claims directly from a state-run fund while others work through commercial carriers or set up networks or PPOs that employers can join to gain favorable rates. Yet many medical groups, especially those in smaller cities, resist signing on to managed-care networks. "We've resisted doing that because as a subspecialty our feeling is that if you need us, you're going to see us eventually," observes J. Worth Williamson, III, the administrator of The Hand Surgery Center in Greenville, S.C. "It is a fair amount of paperwork and one of the things you must commit yourself to is staying on top of it all," notes Williamson, adding that it is critical to scrutinize all payers' reimbursements, especially when fee schedules change.

Recently, South Carolina raised workers' compensation reimbursement rates, but several of the private payers administering claims failed to make the necessary rate adjustments. "We made the commitment to chase every dollar down and make sure it was all paid if only to let payers know that somebody out there is watching them," Williamson says.

Orr says that having the workers' compensation fee system built into the practice management system helped the group nab 19 managed-care companies that were using an outdated, lower paying fee schedule. Payers that neglect to update fee schedules after rates increase aren't the only hazards out there; sometimes a payer uses the wrong fee schedule altogether. "Some payers in Ohio wanted to pay the commercial fee schedule instead of workers' comp but we caught them and recovered about $6,000 to $7,000," Orr says. When the orthopedic group detected the underpayments, it collected two months of payment and claims data into a spreadsheet and presented it to the payers as well as to the employers of the injured workers and the state's workers' compensation board. Corrected reimbursement was swift, she says.

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Most of the injured workers arriving at Bluegrass Orthopaedics are referred by another physician or their employer, but some self-refer. Meeker says her staff verifies the insurance status of each new patient by calling the appropriate claims manager to assure that the first-report-of-injury forms have been filed. "We don't schedule a patient until everything is verified," explains Meeker. Staff at the practice's front desk ask every patient, regardless of insurance status, if their visit is due to a job-related injury. "If we find out when they arrive that it's actually a workers' comp visit, not regular insurance, then everything stops right there," she says. "It usually takes just 10 or 15 minutes to get the information we need over the phone but we make them wait because we want to make sure we get what's coming to us and that the patient doesn't get stuck with bills they shouldn't have to pay."

Claims accuracy is a team effort. Williamson says. "Our appointment scheduler is really the front line as far as getting the information and making sure it's all here when the patient arrives," he says, adding that schedulers at the hand surgery practice use a template to remind them of questions to ask patients who call for appointments.

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Dover Orthopaedics and other medical practices in Ohio get a big jump on the process thanks to the
state's online workers' compensation network that provides medical practices instant access to claims status. The Dover practice, where 8 percent of patient visits are workers' compensation-related, fine-tuned its practice management system to increase the accuracy and speed of claims processing.

"Setting up a separate financial class in the practice management system for each payer allows me to monitor contracted fees by payer, and we have a separate fee schedule for workers' compensation," Orr says.

When a patient drops out of workers' compensation or if the carrier denies a claim because the injury happened elsewhere, for example, the practice management system shifts the patient's charges to the appropriate fee schedule, she says. That's important information because in Ohio, a CPT 99213 office visit that Medicare reimburses at $48 is worth $57.73 if it is a workers' compensation visit. Orr says that in addition to billing electronically whenever possible, the practice scans claims information into its computers so that the allowed diagnosis appears whenever one of the group's four orthopedic surgeons calls up a patient's electronic medical record.

Although Williamson's staff and physicians do not use an electronic medical record, the practice tries to control the heavy load of paperwork through central storage of medical transcription.

"People doing workers' comp billing don't have to pull the charts, they just go straight to the dictation and print out the note rather than searching for charts all day long," he says.

The practice's physicians make sure to complete all of their dictation daily. Keeping on top of the paperwork is especially important, he says, because workers' compensation cases account for between 30 percent and 35 percent of the annual charges stemming from the more than 17,000 office visits its physicians handle each year.

Bluegrass Orthopaedics relies on a three-member team to speed its workers' compensation billing and collection processes: a clerk who handles paperwork for pre-certifications for tests, examinations, and procedures; a scheduler who also handles authorizations and faxes work status notes to employers and claims managers; and Meeker, who supervises the team and handles customer relations and collections tasks. She may even sit in when a physician reviews details of a treatment plan with a patient.

"Everyone here is cross-trained and we have a dedicated telephone line for workers' compensation so the companies know they can always call and get someone to answer their questions," Meeker says.

Keeping the lines of communication open is critical, says Williamson. In addition to making sure that the practice keeps claims adjusters updated on patient progress, Williamson often provides a spare conference room to visiting case managers so they can catch up on paperwork while waiting to confer with one of the group's physicians.

"We feel like getting case managers the information they need quickly, making sure adjusters are aware of anything that's out of the ordinary, even sending transcribed visit notes to them automatically, is what helps move along the process for all of us," he says.

Adds Dunn, "We are just trying to help the patient follow the process. They are usually new to the workers' compensation world so a lot of what we do is helping them get through it."

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