Finding Hidden Revenue in Your Fee Schedule

By P.J. Cloud-Moulds [5]

By reviewing your fee schedule and comparing it to accounts receivable, you may find hidden money that you didn't know about.

Source: Physicians Practice

When was the last time you took a good look at your fee schedule? A really good look. Would you know what to look for? Some people really just see a bunch of dollar amounts, but what do those amounts mean and how can you improve your bottom line by updating these?

A practice's fee schedule serves multiple purposes:
• It is available to your front-office staff so that they can calculate coinsurance and deductibles, by each insurance plan.
• You can review it and compare it against the explanation of benefits (EOBs) that you receive with payment from the insurance companies to make sure you are being paid per the plan contract.
• You need to review it annually to make sure you are collecting the maximum amount of revenue that you are due.

Your front office calculates out a coinsurance or deductible based upon the contracted rate you have with a specific insurance plan. If these numbers are not updated you risk the chance of either undercharging or overcharging the patient. Either way, you are paying more in administrative costs to manage billing statements and pay out refunds. But what if you have a billing company or department to do that, you ask? Wouldn't their time be spent more lucratively following up on denied claims that bring in revenue?

When you receive an EOB from the insurance company along with a payment check, are you spot-checking against the fee schedule to make sure you are being paid what you should be? It happens all of the time, and insurance companies are banking on the fact you don't look closely enough. If they underpay and you don't see it, they make money off of you.

Let me give you an example. You have contracted reimbursement rates with UnitedHealthcare. One code you commonly use is paid $77.84 per unit. If you code this, say, five times per day and bill UnitedHealthcare, that's about 1,250 units per year, if you took a two week vacation. If you are paid $75.84 instead of your contracted rate of $77.84, this equates to a $2,500.00 loss per year. That's one code for one unit, to one insurance company. Think of the loss you may be incurring across all of your payers simply by not double-checking your payment against the fee schedule.

Similar to the example above, another problem is when you are not charging enough for your specific codes. You turn your fee schedule over to your billing department or third-party billing company. If they are not checking to make sure your charge amounts are higher than some of your payments, you're losing money.

Let me give you an example. You are contracted with Medicare, Blue Cross, HealthNet, and Aetna. You are charging your most common code at $77.84 per unit. If one of these payers is actually paying you $80.00, and you don't bill that amount, you are losing $2.16 every time you bill that code to that plan. If you code this 5,000 times per year, you have lost $10,800 of potential revenue. I'll bet you could have used that for a nice year-end party, or employee bonuses.

Just taking a few minutes to check these three areas on an annual basis is really a way to "find the treasure" within your own practice. It only takes a few moments and the payoff could be more than you think.

Source URL: http://www.physicianspractice.com/blog/finding-hidden-revenue-your-fee-schedule

Links:
Finding Hidden Revenue in Your Fee Schedule
Published on Physicians Practice (http://www.phphysicianspractice.com)