

Billing Operations for Your ASC

By Caryl Serbin, Surgery Consultants of America

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When evaluating deviations in revenue in a surgery center, we tend to look at coding, billing and collections to determine the cause. However, there are numerous factors influencing the billing operations, many of which do not fall under the responsibility of your coding, billing and reimbursement specialists. Reimbursement is affected by the competency of your front-end processes of scheduling, verification, and registration. Indirect issues such as your fee schedule, how your office handles out-of-network issues, your managed care contracts, and the technology being used in your surgery center also have an impact on billing operations and likewise reimbursement.

FRONT-END PROCESSES

Many factors which affect the timely collection of revenue take place prior to the day of surgery. As you can see below, the front-end process is one of the most important parts of your billing operations.

Scheduling

Request as much information from the physician's office as they are comfortable in providing, including pre-authorization codes, if applicable. Contact the patient if additional information is needed. Input all demographic and insurance information accurately. Transposing just one number can delay your claim indefinitely.

Insurance Verification

Verify eligibility and benefits and obtain a pre-authorization code if necessary. Verify claim address. Note any special instructions for the billing specialist.

Patient Financial Counseling

Notify the patient regarding copayment or deductible due on the day of surgery. If necessary, payment plan arrangements can also be discussed at this time.

Patient Registration

On the date of surgery, confirm all demographic and insurance information with the patient. Copy their insurance card, verifying the patient identification and group numbers and claim address with what is in the computer.

Up-Front Collections

Collect any prearranged co-payments or deductibles on the day of surgery. Submit a CLEAN CLAIM first time!

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INDIRECT ISSUES

Fee Schedule

One of the most critical issues affecting your billing operations is the one most frequently overlooked - your fee schedule. Your decisions regarding the center's fee schedule may determine the financial success or failure of your center. Steps to establishing a new fee schedule or revamping your current one include:

- Calculating your total procedural cost
- Choosing a fee structure and assigning a fee to each CPT
 - percentage of Medicare reimbursement rates based on 9 groupers
 - percentage above cost of procedure
- Specifying fees for carve-outs
- Indicating what is included in your fee, i.e., labs, EKG's, etc.
- Defining discounts for additional procedure codes, 50%, 25%, etc.
- Determining fees for prosthetics/implants, HCPCS allowable codes
- Documenting your decisions

After establishing a sound fee schedule, don't forget about it. It's important to review your fee schedule on a regular basis. Have your coding specialist notify you about any new ASC codes being added and deleted to the ASC-approved Medicare list. Also be sure you're aware of new CPT's assigned by AMA for new procedures. At least annually, go through your high-priced procedures and compare them to current costs, i.e., supplies, implants, wages, etc. If the market allows, discuss the possibility of an across-the-board increase with your governing body.

Out-of-Network Reimbursement

Billing out of network (without a contract with the payer) by itself is not a risk - waiving the patient's co-insurance is what creates the risk.

Often accepting out-of-network (OON) reimbursement is seen as a quick and easy way to bump reimbursement. Although OON may reimburse higher than contracted, doing this routinely may invite OIG audits or lead to allegations of insurance fraud. To reduce these risks, send a certified letter to the payer regarding your center's intention to waive OON penalties and clearly mark the claim to indicate the waiver.

There are exceptions to accepting OON reimbursement such as:

- The network is closed
- While negotiating a contract with the payer
- No presence in your community, i.e., occasional out-of-state patient

Just be sure that your state does not prohibit this practice and that you get both in and OON benefits when verifying eligibility and benefits.

Don't assume that managed care organizations that are currently paying OON fees will continue to do so. Many payers are responding to constant abuse from non-contracted providers by preventing them from joining their network. Other penalties imposed by

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these payers can be delayed payments or non-payments on claims. In some cases, physician investors have also lost their payer contracts.

Also, most networks don't remain open indefinitely, so take the time to open contract negotiations before another facility or hospital receives first priority classification.

Create OON agreements with managed care organizations while in the negotiation stage and determine whether patient OON penalties can be waived during that time period.

Your best alternative to accepting routine OON reimbursement is to negotiate great managed care contracts.

Managed Care Contracting

With some time, effort and experienced negotiators, your center will be able to have the best reimbursement available in your area. Be prepared beforehand and be willing to compromise on areas that will not negatively affect your most common reimbursement areas, i.e., in a center with a lot of orthopedic cases and fewer GI cases, carve out your scopes and high-priced procedures and compromise by taking a lesser fee for your GI procedures. Reciprocity is essential to successful negotiations. Tips on successful managed care contracting:

- Build relationships with managed care representatives - ask your physician providers to recommend contacts
- Educate managed care companies on what you can do in an ASC, i.e., cost and time savings, etc. Take them on a public relations tour of your facility
- Know your case cost before starting negotiations - even a small loss is a loss
- Negotiate carve-outs for frequently performed procedures (scopes), high ticket procedures, implants
- If possible, negotiate for a fee based on a discount off of billed charges
- Avoid maximum reimbursement clauses, i.e., caps
- If fee based on groupers similar to Medicare, check procedure reimbursement groups - make sure your CPT's have not been reclassified into lower groupers
- Ask how CPT codes which do not have an assigned group are paid
- Establish multiple procedure discounts
- Define what is included in fee
- Make sure there are prompt payment clauses, following state regulations
- Understand timely filing deadlines
- Avoid boiler-plate contracts - your contract should address your specific needs
- Be aware of "most favored nation" clause
- Read your contracts for accuracy
- Provide managed care matrix to reimbursement specialists so they are able to determine appropriate payments easily
- Review contracts at least annually - renegotiate when needed

Computer Hardware and Software

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With today's constant changes in computer hardware and software, it's difficult to determine what is necessary and what is high-techno fluff. Get advice from an expert in this field when making initial purchases and necessary upgrades. Choose software that meets all of your ASC needs, from patient registration to quality improvement to inventory control. Evaluate the reporting package, ensure it can be imported into spreadsheet format for specialized reports. There are several outstanding ASC software packages now available. If you want more specific reporting abilities, new companies like Medibis can translate your regular software's data into very sophisticated and detailed reports.

At the very least purchase the hardware recommended by the software company. Upgrade regularly! Retaining equipment beyond its life expectancy is false economy as slow computers and outdated software often result in delayed claim submission.

While there is a lot more to billing operations such as appropriate coding, billing, collections, posting, reporting, etc., the areas we discussed are often not considered when looking for answers for revenue deviations. These hints may give you an idea as to where your billing operations' strengths and weaknesses lie.

Caryl A. Serbin, RN, BSN, LHRM
President and Founder
Surgery Consultants of America, Inc.
Surgery Center Billing, LLC

12670 CREEKSIDE LN. SUITE 401
FORT MYERS, FL 33919

Toll Free: 1-866-889-7722

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