Training Session Handouts

Seriously Boost Payup with Proven Out-of-Network Collection Tactics

Presented by:
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OPTIMIZING OUT OF NETWORK PAYMENT

Get Paid More for Out-Of-Network Patient Services

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Objectives

- To define Out of Network, OON,
- To note which OON opportunities may work for you
- To understand the contracting process and why OON exists
- To identify if Out of Network is right for you
- To develop procedures for collecting the amount due
- To find the amount due to you for services provided
- To discuss how to improve collections when patients are OON
- To discuss communication with patients on why, what, and how they can deal with OON

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OON defined

- Do not participate in an insurer's provider network
- No contract signed
  - *Expenses (your charges) to patient may not be covered*
  - *Impose higher deductible and out-of-pocket limits*
  - *Balance bill*

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OON – communication by payer

- When a doctor, hospital or other provider accepts your (patient) health insurance plan we say they're in network. We also call them participating providers.
- When you (patient) go to a doctor or provider who doesn't take your plan, we say they're out of network.

https://www.bcbsm.com/index/health-insurance-help/faqs/topics/how-health-insurance-works/difference-between-in-network-out-of-network-benefits.html

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Balance (surprise) billing

- Billing the patient the difference between what an insurance company allows and what the actual charge is for the service provided
- For example

Charge	$100.00
Insurance pays	$70.00
Patient is billed	$30.00

- In OON the patient may receive from the insurance company the $70 but you would still expect $100.00 (non-discounted) from the patient

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Hip Surgery

Paid in network

	Charge	Payment	% total	GR %
Anesthesia	$6,336.00	$3,546.50	10.2%	56.0%
Orthopedic surgeon	$9,224.00	$1,813.81	5.2%	19.7%
PA Assistant	$9,224.00	$290.21	0.8%	3.1%
Hospital	$44,523.07	$28,632.82	82.0%	64.3%
PT	$00.00	$00.00	0.0%	0.0%
Pharmacy	$273.92	$230.52	0.7%	84.2%
DME	$58.00	$18.51	0.1%	31.9%
Primary care	$215.00	$83.92	0.2%	39.0%
X-ray	$241.00	$102.50	0.3%	42.5%
Lab	$372.00	$218.36	0.6%	58.7%
Total	$70,466.99	$34,937.15	100.0%	49.6%

Payment to bill

Charge for out of network

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Why do this?

Higher rates!!!!!

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OON

Plus

- Income
- Freedom from payer constraints
-
-
-
-

Minus

- Hassle – collections, explanation
- Patient satisfaction/relations
-
-
-
-

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Current rates

- What are YOUR current rates from payers?
  - *Analyze regularly*
  - *Increase fees annually*
- What are the going rates in your market?
  - *Houston market as low as 60% of Medicare*
- Are there options to consider or have been considered related to long term success of the practice?
  - *Sell, join*
  - *Form Clinic without walls*

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Why do this?

- In network contracts are what they are!
- Negotiations have failed
  - *Fees*
  - *Terms*
- You were not selected to participate in a narrow network
  - *Payer sets up for SPECIFIC doctors based upon THEIR criteria*
  - *Patient choice will be limited*
- You were deselected by a plan
  - *THEY terminate you*

You don't have a direct relationship with the payer

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Your payer mix

- What is your current payer mix?
  - *Percentage of income from EACH payer*
- Do they pay enough to meet your costs?
  - *Do you even know your cost of providing each service to each patient*
- Do they increase the hassle factor in claims management? (Authorizations, request for additional information)
- Consider each payer independently of the other when doing your evaluation
  - *Some insist if you accept PPO you must accept HMO*

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HMO vs. PPO

- Keys
  - *Size of network*
  - *Restriction on physician choice*
  - *Plan costs – premium rates*
  - *Coverage for out of network services (limitation on benefits)*
  - *Go online or call to determine what the status/impact of an OON service has between the payer and the patient*
- HMO
  - *Consider all of the above*
  - *PCP and referral*
  - *No OON coverage*
- PPO
  - *Ease of seeing specialists*

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Accept assignment

- Two keys:
  - *Check sent to you – not necessarily!*
  - *You are agreeing to payment terms as if in network!*

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Keys to success

Have an internal policy and procedure (to follow!)

Communicate from first contact with the patient/their family

Be persistent in collection efforts and relationship with payers

Everyone in the practice must participate and support the decision

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Financial Policy

Cover both in and out of network

In OON

Language that clearly notes patient responsibility and role in collections.

- Patient has relationship with payer you don't
- Patient must/can assist in calling payer for rate and processing issues

Accept assignment

- Where check goes
- May have a criminal case against patient if they cash the check and don't pay you, e.g., check greater than $500 (check your state) it may be grand theft since money was intended for YOU and not the patient!

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Communicate with patients

- eliminate surprise billing

- Beyond the financial policy
- Discuss with each patient initially your position and expectations for them
- Discuss with each MAJOR procedure what is expected
- Understand their position
  - *Empathy*
  - *Focus on them rather than a piece of paper*

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Will this increase patient satisfaction?

YES!

They get to see YOUR clinicians!

Their Doctor of choice!

If you

Communicate effectively

Treat them fairly

Help them along the way through the process

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Negotiation tactics

Pick up the phone

Be aggressive

You don't have a contract with the payer

Get agreement in writing

Be prepared to spend time in the collection process

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Billing

- Process claims exactly the same
  - *Same charges (fee schedule)*
  - *Same CPT*
  - *Same ICD-10*
  - *Same sequence, timing*
  - *Same documentation if something special is required*

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Discounts

- Goal – collect total billed amount!
- Submit full claim first as routine billing process
- Have patient request in writing a discount for ”hardship”
- Three options
  - *A discounted percentage, e.g., 25 – 50%*
  - *Target Medicare rates*
  - *Target in-network rates*

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Medicare – non-participating provider

- You may choose non-participation status from Medicare
- Details
  - *Complete form and submit, available at calendar year end*
  - *Fee schedule is set at 115% of Medicare allowance, this is your limited charge rate*
  - *May collect all from patient*
  - *If accepting payment from Medicare it would be 95% of the 115% limited charge*

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You negotiate with payers . . .

- Be prepared
- Have facts (not opinions)
- Define your parameters
- Be willing to walk away – say no to their contract proposal (position)
- BATNA – best alternative to a negotiated agreement

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Third party negotiators

- Silent PPO
  - *Payer tactic! Access other payer rates without your knowledge and agreement occurs to even lower rates than thought about!*
- Payer hired company
  - *Do not accept first offer*
  - *May not want to negotiate for any amount*
- Individual patient
  - *May agree to terms with payer for a one time patient situation*
  - *Caution, may not be binding so make sure it is in writing*
  - *Clarify allowable and if there is a patient responsibility (do this for all!)*

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Be prepared for some collection hassles

- Patients may complain
- Some payers may attempt to pay you a set amount and restrict you from collecting from the patient
- Make sure you have all the facts
- Be prepared to appeal, understand your rights and the procedures that will lead to successful collection
  - *When do you get the patient involved?*
  - *When do you write letters of appeal and to whom?*

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Staff awareness and training

- Requires effective communication with the staff
  - *Why are you OON*
  - *What are the benefits to the patient*
  - *What are the benefits to the practice*
- They are the ones to communicate directly with the patients
- They must assist in developing and then understanding the financial policy
- Their focus will change from insurance collections to patient collections

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State laws and malpractice carrier recommendations

- Check your state
  - *Balance billing*
  - *Any willing provider*
- Check with your malpractice carrier

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Updates

- CARES act
  - *Covid testing, etc. can charge going rate as long as posted*
- DC circuit court ruling
  - *Hospitals must post negotiated rates*

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No Surprises Act

- "Provides consumer protection against surprise medical bills."
- Passed as part of the omnibus funding legislation in December 2020
- Effective date January 1, 2022
- Hold consumer harmless from the cost of unanticipated out-or-network medical bills
- Contents:
  - *Cover surprise bills at in-network rates, even without prior authorization*
  - *Balance billing prohibited (except when non-emergency services are provided with 72-hour notice with patient's written consent)*
  - *Independent dispute resolution (IDR) – each party submits offer, IDR determines which is most reasonable*
  - *Consumer may request advance information about coverage*
  - *If practice leaves network must continue to provide care for 90-days*
- More specifics will appear after July 1, 2021

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In summary

- Determine by payer if OON is right for you
- Update or revise your financial policy
- Train your staff
- Have a communication plan for patients
- Be prepared for some hassles and to appeal claims as issues arise

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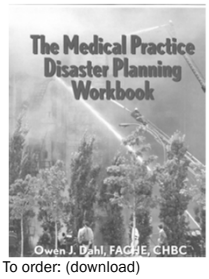

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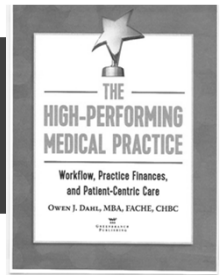

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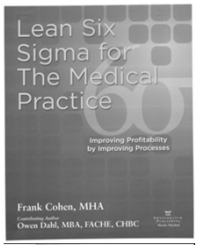

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