Chapter 13 Claim Processing, Payments, and Collections

TEACHING FOCUS AND LEARNING OUTCOMES

Chapter 13 focuses on handling payers' RAs, appealing denied or underpaid claims, billing patients, and collections. Orient students back to the medical billing cycle by reviewing Steps 8, 9, and 10, the topics of this chapter. Point out that having the background and understanding of the billing rules of the major payers, students are now prepared to study how to follow up on their claims and ensure the best outcome—maximum appropriate reimbursement for the services provided.

The learning outcomes for this chapter are:
13.1 Outline the steps of claim adjudication, explaining the effect of upcoding and downcoding on the process.
13.2 Process RAs.
13.3 Discuss the purpose and general steps of the appeal process.
13.4 Describe the purpose and content of patient statements.
13.5 Apply regulations and guidelines to the collection process.
13.6 Explain the procedures for writing off uncollectible accounts.
13.7 Describe the physician's responsibilities when terminating the provider-patient relationship

LECTURE OUTLINE

13.1 HEALTH PLAN CLAIM PROCESSING BY PAYERS Slides Chapter 13: 5 - 17

1. Initial processing
2. Automated review
    a. Patient eligibility for benefits
    b. Timely filing
    c. Preauthorization and referral requirements
    d. Duplicate dates of service
    e. Noncovered services
    f. Code linkage
    g. Correct bundling
    h. Medical review to confirm that services were appropriate and necessary i. Utilization review
    j. Concurrent care.
3. Manual review
    a. Suspension
    b. Development
4. Determination
5. Payment -- Remittance advice (RA)
6. Overdue claims and the insurance aging report

13.2 PROCESSING THE REMITTANCE ADVICE Slides Chapter 13: 18 - 27

1. RAs
2. Adjustment codes
3. Review procedure
    a. Review the RA
    b. Procedures followed to double-check the remittance data

4. Posting procedure
    1. Posting and applying payments/adjustments
    2. Reconciliation
    3. Managing rejected, unpaid, partially paid, or downcoded claims

Note: If the class is using the simulated Medisoft Connect Plus exercises, assign Exercise 13.1.

13.3 APPEALS Slides Chapter 13: 28 - 33
1. Overview of appeal process
2. Medicare appeals
    a. Redetermination (Figure 13.5)
    b. Reconsideration
    c. Administrative law judge
    d. Department appeals board
    e. Federal court review

13.4 PATIENT BILLING AND ADJUSTMENTS Slides Chapter 13: 34 - 42
1. Calculation of patient balance
    a. Payer payment per procedure
    b. Amount patient owes
    c. Adjustments
2. Day sheet/ledger
3. Content of a patient statement
4. Statements and PMPs: Explain this example in Figure 13.3 a, b, and c
5. Cycle vs guarantor billing
6. Communications with patients
7. Handling overpayments to patients
8. NSF checks

Note: If the class is using the simulated Medisoft Connect Plus exercises, assign Exercise 13.2.

13.5 COLLECTING OUTSTANDING PATIENT ACCOUNTS Slides Chapter 13:43 - 49
1. Fair Debt Collection Practices Act of 1977 (FDCPA)
2. Telephone Consumer Protection Act of 1991
3. Credit plans (ECOA)
4. Patient aging report as basis for collection activities
5. Collection agency payment processing

13.6 WRITING OFF UNCOLLECTIBLE ACCOUNTS Slides Chapter 13:50 - 51
1. Known as write-off accounts
2. Define bad debt
3. Reasons for uncollectible account status
4. Avoiding fraudulent behavior

Note: If the class is using the simulated Medisoft Connect Plus exercises, assign Exercise 13.3.

13.7 TERMINATING THE PROVIDER-PATIENT RELATIONSHIP Slide Chapter 13: 52 - 53
1. Follow state regulations regarding notification of termination

CLASS ASSESSMENT CHECKLIST

Assessment Tool	Instructor's Notes
Thinking It Through	
In-Chapter Application Exercises	
Using Terminology	
Checking Your Understanding	
Applying Your Knowledge	
Testbank	
Connect Plus	

ANSWERS

Thinking It Through

13.1

1. Yes, the accounts for Jennifer Porcelli and Josephine Smith both have payments that are 31-60 days past due for $15.00 and $36.00, respectively.

13.2

1. A. $128.70
B. Yes, H. Cornprost
C. Patient has not met deductible.
D. Yes, J. Dallez, because the procedure is not covered by his insurance.

13.3

1. The Medicare appeal process involves five steps:
Redetermination --> Reconsideration --> Administrative law judge --> Medicare Appeals Council --> Federal court (judicial) review

13.4

1. [Note that students need to research CPT 99396 to answer the first and second points.] Karen's age range is 40 – 64 years, and she is an established patient. Her insurance pays 80 percent of the charges.

13.5

1. A. $122
B. $357

13.6

1. A. $51.80
B. $127.50

13.7