Medical Billing Myths

Understanding Medical Billing Myths

Dr. John Smith owns a small practice in Pittsburgh's South Hills. He's in the midst of a conversation with one of his nurses.

Nurse: "Doctor, do you think we should **be posting signs concerning the payment of co-pays** once the patient is finished with their appointment?"

Doctor: "I agree to a point. **But I don't want to antagonize patients**, even if it's only a couple of them. Let's just wait and see how it works out."

This is just one example of the different myths "out there" concerning medical billing. Truth is, patients are quite willing to pay at the time of service. Just listen to revenue management cycle Elizabeth Woodcock below. Let's face it, if you fail to get paid for the services and procedures supplied by your medical practice, all the energy you and your staff expend treating patients won't be able to keep your practice afloat.

Regrettably, according to ***Healthcare Innovation***, **out of the $3 trillion plus in medical claims submitted annually, nearly $262 billion in claims are denied**, and denied claims can perform a number on a practice's bottom line. Even when these claims are recoverable, appealing claims comes with its own costs that will slice into profit margins.

An assortment of medical billing myths survive nowadays that can affect your practice. It's essential that we debunk widespread myths relating to such concerns as **medical billing** and discover the truth behind them so as to enhance the efficiency, productivity and profitability of your medical practice.

Here's a close look at some of the more common myths and the actual facts behind these misconceptions

1. **Myth #1 – Patients are resistant to paying at the time of service**
   This misconception runs deep, and it causes innumerable practices to leave much-needed revenue on the table, says Elizabeth Woodcock, a practice operations and revenue cycle management expert. "I remember my first job in the 90s training medical staff to collect copays, which was something very new at the time. I was turned away from some practices by physicians who said money and medicine do not mix. **We still have some of the inherent resistance, which has led to the notion that asking for payment negatively impacts customer service." In fact, the opposite is true,** Woodcock explains. "Patients are very open to paying at the time of service. the key is to set that expectation and be upfront, transparent and respectful. To me, **it's more disrespectful to patients to say nothing about money and them subject them to aggressive collection practices later."** She adds, "This reluctance to collect breaks binding agreements with insurers that require practices to ask for copays at the time of service, and is a massive revenue issue, too."
2. **Myth #2 – Undercoding is better than upcoding**
   Upcoding applies to billing for services that weren't performed or for services or procedures that are more complex than those that were actually provided. Sometimes, this occurs if the physician's office supplied the wrong data, a wrong code was recorded or there's an attempt to inflate a bill. **Upcoding is illegal and can lead considerable fines and, in some instances, criminal prosecution. However, don't make the mistake of thinking that undercoding is safer or tolerable.** Undercoding is also illegal and, as noted, can bring with it fines and criminal prosecution, not to mention it can also lead to a shortfall in revenue. Some practices believe they should undercode to get around audits or to slash an individual's superbill without fully understanding the potential consequences.
   Both **Undercoding** and **Upcoding** are considered **medical billing fraud**.
3. **Myth #3 – if there's no code, it can't be billed**
   Occasionally, procedures or services don't have a code allotted to them. However, this doesn't indicate that you can't bill for that procedure or service. You can go ahead and bill it, using an unlisted code. **The key is to make certain you have complete and accurate documentation to submit with that claim.** Without documentation, you can assume the claim will be denied. The lesson here is don't leave money on the table by assuming you cannot bill for it.
4. **Myth #4 – Financing plans are only for hospitals**
   By and large, patients are under pressure about paying their medical bills in full. In general, nearly 7 in 10 persons with medical bills of $500 or less don't pay the full balance, per a TransUnion report. In accordance with a Kaiser/HRET survey, 51 percent of covered workers reported an annual deductible of $1,000 or more for single coverage. **The bottom line: More patients will be looking for low-interest financing options to pay their medical bills going forward.** By simply offering patients the option of no-interest or low-interest financing, **you create the potential to boost self-pay A/R and slash bad debt.** Think about it: If patients understand they can avoid defaulting on a bill and damaging their credit by paying off healthcare costs in regular installments with little or no interest, they'll be more prone to work with a practice.

5. **Myth #5 – Patient engagement doesn't impact revenue**
   Patient engagement used to mean simply talking with patients and occasionally mailing them a letter when they hadn't been seen for a while. **In today's digital world, however, patient engagement is much more wide-ranging.** Everything from patient portals to appointment reminders to chronic care administration can function to not only deliver improved care, but also power revenue. More than 50 percent of practices employ appointment reminders to slash no-shows. **Patient portals offer opportunities for patients to pay their bills electronically, which also accelerates revenue.** True, rural communities have higher populations of ages 65 and older, but according to Pew Research, seniors are "more digitally connected than ever," with many of them regularly using smartphones.
6. **Myth #6 – Medical billing can be handled by your existing staff**
   If this were the case, you wouldn't have training for medical billing. A healthy working knowledge of medical terminology, diseases and technology are also a requisite for medical billing professionals. Moreover, they have to be good at math, methodical and detail oriented. Add deductible healthcare plans to this list. **That's a tremendous amount of workload on one or more person's hands.** It's a fact, nonetheless. **A large amount of a medical practice's revenue derives from collections from patients.** Any billing errors and you lose revenue. That's why you'd want a minimum of one additional employee, if not more, to manage the quantity of work comprising patient billing questions, sending patient statements, creating payment plans and follow-ups on late or neglected payments. That person will also have to be tuned in with the ever-changing and growing government rules and regulations and know how to work with the most recent technology in place.

Truth is, all this can be prevented by outsourcing your work to a qualified medical billing team, leaving you with no internal mess on your hands.
Ready to think about outsourcing your billing functions? At **Medwave**, we'll be glad to furnish you with insights into the features and benefits of **outsourcing your medical billing**, as well as providing pricing for our additional services, such as **medical credentialing**. So, there you have it. As noted, it's important that we debunk these myths mentioned above, as well as other misconceptions as a first step in improving the profitability of your medical practice.