

# Higher Accuracy of Medical Claims Saves Revenue



## Healthcare Practices Save Money with Higher Accuracy of Medical Claims

[Reimbursement for medical practices](#) has been impacted by numerous trends and healthcare industry changes over the past five to ten years. Medicare and Medicaid are constantly cutting physician reimbursement, third-party payers (**UnitedHealth, BCBS, Humana, Anthem, Aetna, Cigna, etc.**) have bargained for fee-for-service contracts with healthcare providers, often bringing about reimbursements at less than 100 percent of charges. Moreover, the Administrative Simplification requirements of the **Health Insurance Portability and Accountability Act (HIPAA)** have stiffened claims data submission requirements.

Add to this the government's emphasis on healthcare fraud and abuse and compliance have all increased the significance of accurate billing. **Because of such concerns, medical practices are being forced to upgrade their [revenue cycle management](#) processes.**

### What do we mean by Revenue Cycle Management?

The Healthcare Financial Management Association **defines the revenue cycle as “all administrative and clinical functions that contribute to the capture, management and collection of patient service revenue.”** Basically, then, the revenue cycle is everything that happens from the moment a patient account is created (at intake, whether that's a doctor's office, outpatient clinic, tertiary care center or other site) through payment for the particular treatment, surgery or care package. **It may take weeks to months for a medical practice to**

**get reimbursement** due to submission of the claim depending on the nature of the patient's illness to diagnosis, treatment and selection of medical codes, as well as dealing with claim denials.

For the revenue cycle to work most effectively, it must be predictable. That means its processes must be executed correctly, which is no small task. An early error can derail the process at multiple points along the way, causing errors in billing, slow payment, and other negative actions. Getting things back on track can be time-consuming and costly.

## How Bad is it?

**Failure to remain current on medical billing rules and regulations, in addition to billing errors, results in U.S. healthcare providers leaving roughly \$125 billion in uncollected revenue each year!** Specialists like radiologists face even bigger challenges due to the intricacy of their procedures and special billing requirements.

**Truth is, medical billing is the backbone of [healthcare revenue cycle management](#)**, but many providers experience significant challenges with efficiently and accurately billing patients and payers for services they perform.

The medical billing process can be a pain point for some providers because it involves an array of healthcare stakeholders and each step to getting paid relies on the previous interaction. Healthcare organizations must communicate across departments and payers, as well as ensure that crucial information is properly captured in each step of the process.

## A Thankless Job?

Let's face it, managing the medical billing and coding for your practice may seem a thankless job, but the importance of accuracy to the entire revenue cycle cannot be overstated.

**Depending on the compiled claims by the healthcare administrative team, insurance companies decide if the services provided to the patients are medically essential and valid.**

Following up to ensure that claims are fully paid, and any errors corrected takes time and a very detailed mind. Moreover, medical billing codes change on a regular basis, adding complexity to the overall process. **Anyone responsible for filing and submitting claims must stay up to date with the real-time changes in this field.** Subsequently, medical billers should make sure that they compile accurate data during the documentation process. Any single mistake during this procedure can lead to a significant loss of revenue and cause disputes with insurance payers. As a result, it may also impact your business reputation among the payer's community in a negative way.

**That's why qualified medical billing specialists should have in-depth knowledge** about the exact diagnostic procedures, surgeries, documentation of symptoms, age, gender, pre-existing

conditions and so forth. They should not only be able to file claims but also deal with the patient's confidential data in compliance with the HIPAA regulations.

## **Are you experiencing Revenue Loss?**

It's a fact: **Incorrect coding is often responsible for the greatest lost revenue in a practice**, causing certain claims to be completely denied and others to be only partially paid.

Unfortunately, many healthcare payers are deploying inexperienced claim examiners that will often err at a significantly high rate. Often, their training falls short of what is necessary to ensure accurate and efficient payments, and many will continue making the same costly, repetitive payment errors once they become "experienced." So reports **Paul Adams, Director**, and **Deanna Hodges, Manager, Health Care Consulting Group of Moss Adams**, a Seattle-based consulting firm in a recent article in *Washington Healthcare News*.

**Without an effective billing process in place, your practice is at risk for:**

- **Incorrect coding of claims**
- **Poor management of account collections**
- **Significant loss of revenue that makes your practice less profitable, jeopardizing your ability to stay competitive and attract top talent**

*If you're falling behind in these areas, there's a good chance you've fallen victim to revenue loss.*

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## **Look to an Experienced Medical Billing Company**

**Outsourcing the coding and billing to a reputable medical billing company just might be the best way to ensure a seamless revenue cycle.** [Medical billing](#) companies with dedicated personnel can efficiently manage the coding and billing-related tasks that typically cannot be handled in-house due to cost and time constraints to look after patients.

**Medwave has years of experience in credentialing and medical billing and has helped numerous healthcare providers in improving their revenue cycle.** When you work with a professional billing organization, you can be assured that your credentialing, coding and / or billing is completed to the highest standards of quality. This provides a crucial component of a strong, medical revenue stream. Find the right solutions for a complete suite of healthcare revenue cycle management.