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# Establishing a Billing System

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## Session Overview

- *Overview of the Billing & Collections Process*
- *Getting Started*
- *Developing a Fee Schedule*
- *Elements of a Well-Defined Billing and Collections Process*
- *Alternative Billing Arrangements*
- *Operations Tips*



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# The Billing Process

## The Basics >>>>

- Collect Patient Information.
- Generate bill.
- Monitor submission.
- Monitor denials.
- Receive and post payments.



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# The Billing Process

- Billing starts with your first interaction with a patient and ends when all possible payments have been posted and any balance has been written off. Almost every staff member plays a critical role here.



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## The Billing Process

- Patient Base
- Service/Patient Volume
- Services Offered
- Adjust Your Operations if Needed



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## The Billing Process

- Common Billing Forms  
Collecting appropriate third-party payments depend on accurate completion and timely submission of billing forms.



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## The Billing Process

- Common Forms
  - CMS 1500 is the standard form used to bill third-party payers for professional services
  - CMS 1450 (UB-04) is the billing form used for hospital based outpatient care and by health centers



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## The Collections Process

- Receive and Post Payments.
- Bill Secondary Payer.
- Bill Patients.



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## The Collections Process

- Analyze Denials
- Resubmit Corrected Bills
- Bad Debts
- Review Remittance Advice (RA)
- Tracking encounters
- Effective information technology
- Rejected bills



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## Getting Started

- Have a written development plan.
- Determine your state requirements.
- Develop an operating and capital budget.
- Determine appropriate staffing.
- Obtain insurance coverage (e.g., general liability).



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## Getting Started

- Develop billing & collection policies and procedures
  - Items to include
    - Job descriptions
    - Training guidelines
    - IT safeguards
    - Revision/Update procedures



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## Developing a Fee Schedule

- Fee Schedule should:
  - Cover the costs and ensure financial viability
  - Remain Competitive
  - Receive appropriate reimbursement from third-party payers



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## Elements of a Well Defined Billing & Collection Process

- Encompass every organizational function that impacts the revenue cycle
- Solicit staff input, before & after implementation
- Develop/modify job descriptions of all affected staff
- Benchmark historical performance and set targets
- Training, Training, Training



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## Alternative Billing Arrangements

- Collaboration with a complimentary organization
- Outsourcing with an effective billing and collections vendor



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## Operations Tips

- Appointment Scheduling
  - Determine if a referral or authorization is required before scheduling a visit.
  - Inform patients that co-pays are due at time of service.
  - Contact patients prior to the scheduled visit.



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## Operations Tips

- Registration:
  - Have patients sign in upon arrival.
  - Check patient identification.
  - Check patient account for old balances.
  - Monitor waiting room activities.
  - Reconcile encounter forms with sign in sheet, charges entered, and collected cash.



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## Questions?

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