



Promising Practice

Increase Collections from Insurance Companies

Problem

Too much money billed to insurance companies is never collected.

Solution

Increase collections from insurance companies by understanding requirements for payment and following up.

Featured Stories

STEPS at Liberty Center, Wooster, Ohio increased receipts from \$500/month to \$6000-9000/month by setting up an Insurance Bounty Hunters Change Team. They sent 2 people from the Change Team to another mental health provider in the area that had similar problems but more experience with insurance billing to learn from them; they spent half a day with the insurance billing person. In particular, they learned a great deal about licensure requirements in their state:

- No one would pay for services provided by anyone who was not independently licensed.
- To get licensed independently, a counselor has to have practiced for 2 years.
- Independently licensed clinicians were covered without supervision.
- Licensed Professional Counselors had to be supervised by someone with a PhD or MD. If they are not independently licensed, the claim form had to be signed by a PhD or MD.

They started building personal relationships with insurance company representatives by getting their name and direct line number so that they could follow up with the same person. They told them how helpful they had been and thanked them for their work.

They also started generating Health Care Financing Administration (HCFA) forms to send to the insurance companies, and processed all of the old unpaid billings. They responded every time there was a rejection; the insurance companies learned that there would be a call if they rejected a claim.

Prairie Ridge Addiction Treatment Services in Mason City, Iowa increased fee-for-service revenues from \$627,193 to \$1,008,367 in two years by targeting their marketing efforts on the 40 percent of their business that was fee-for-service, including third party insurance, Medicaid, and self-pay clients. The accounts supervisor also put together small Change Teams within her department to increase collections of third party, Medicaid, and client-fee receipts using PDSA Cycles. See Prairie Ridge's [business case](#).

Lessons Learned

- If you have people with significant responsibility, make sure you touch base with them and know what's happening—even if they are focusing on what appears to be a small percentage of the agency revenue.

NIATx Aims

- Reduce waiting time
- Reduce no-shows
- Increase continuation
- ✓ Increase admissions

Financial Impact

- ✓ Increase revenue
- Increase staff retention
- Reduce costs



Promising Practice

- Understand licensure requirements for reimbursement, e.g. for staff without independent licenses.
- Build relationships with an individual at the insurance company.
- Follow up on rejected claims.
- Use an electronic billing company to prepare bills.
- Invite insurance companies to review procedures and requirements.
- Pre-certify clients via telephone or online.
- Appeal denials to join networks (based on actual usage of your agency by clients insured by that insurance company).

Tracking Measures

Cycle Measure

Percentage of insurance dollars charged that were collected

Data Collection Form

None

Related Promising Practices

- [Increase Collection of Client Co-pays](#)

More Stories

CAB Health & Recovery Services in Peabody, Massachusetts decreased non-reimbursable care and increased the average reimbursement rates by overhauling their authorization system. They purchased point of service equipment to verify insurance coverage at the time of scheduling (prior to receipt of services) and provided training. With better use of computerized scheduling, reports are now generated to monitor number of visits by service type and payer source, flagging the need for subsequent authorization when services are extended or changed. They also developed a list of payers and authorized clinicians for immediate reference upon intake to insure that appropriate staff delivered services and to ensure that services were billable. For more information see CAB's [case study](#).

TERROS in Phoenix, Arizona appealed denials to join networks on the grounds that more providers in the region were not needed. They gathered data to show that they were serving that insurance company's clients and asked to whom they should refer instead.

St. Croix County in New Richmond, Wisconsin had their billing department connect with various insurance companies to join networks. They referred clients back to employers to request that their agency be included as an in-network provider.