

Managed Care Report

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Claims Case Study: Tackle Problem Claims Through This 5-Step Approach

We'll walk you through the process with this real-world example.

Your claims-processing staff isn't certain, but a suspiciously high number of consult claims appear to be coming your way. Should you deny the claims and start the battle with the provider? Not necessarily. Here's an alternate way to deal with this problem.

1. Assemble a powerful team to investigate. "Organize around the problem," suggests **Merit Smith**, vice president and health care practice director at the Dallas-based **Robert E. Nolan Company**. "Gather a medical director, a nurse with a good practical/clinical side, family practice or internal medicine doctors, an IT person and someone good at provider relations. This is the team I'd want to sic on the problem."

Once you have that group in place, make sure that they're up to speed on the specific coding changes that could be reducing the number of clean claims you see. You can set your IT system to sort claims by code, but that information won't lead anywhere if your team doesn't know which problems are most common for each code, says **Rick Jacobson**, CEO of Chicago-based consulting firm **Jacobson Solutions**.

Regarding the consult codes, your team would need to recognize that the **American Medical Association Current Procedural Terminology** nursing-facility codes 99311-99313 are now invalid -- the **Centers for Medicare & Medicaid Services** has divided these codes according to whether the consultation occurs in the hospital inpatient setting (99231-99233) or a subsequent nursing facility (new codes 99307-99310). Similarly, your staff should know that coding a consultation as a split or shared evaluation and management (E/M) visit is improper -- information that's readily available through **Centers for Medicare & Medicaid Services** transmittals or *Medlearn Matters* articles.

2. Measure the coding baseline for each medical specialty and/or setting. “Ask yourself, ‘What’s the use of this modifier in this specialty?’” Smith advises. To continue with our example, what constitutes a reasonable and justifiable consultation varies among specialties, Smith says. Your team will need to decide when a consultation is appropriate care and when it’s unnecessary -- and examine your claims data for the differences.

3. Examine the coding and billing arms of the service and approach them squarely. Coding and billing are where the most irregularities occur, explains Smith. But don’t treat these services as antagonists -- at least not at first. “Discuss the situation in terms of facts and data in a non-judgmental way,” Smith counsels. “You can be more diplomatic by putting the burden elsewhere: ‘We work with Medicare so we really need to comply.’” In the case of consultations, consider treating these interactions as learning opportunities, noting that CMS has changed the documentation requirements for these services, for example.

4. Create a sense of urgency through multiple visits. Talking with providers, coders and billers several times in a short period emphasizes that you’re taking these analyses seriously, not going through a pro forma review. “Three or four cycles monthly is a good rule of thumb,” Smith notes. “Quarterly isn’t often enough to make an impression.”

5. Reach out to physician structures to create allies. If your plan’s neutral approach isn’t working, seek out physician groups to bolster your authority. “Take the state medical association’s medical director to lunch,” Smith says. “In a doctor-to-doctor conversation, you can keep it informational, not accusatory. Explain that you’ve talked to the billing organizations, and that you thought perhaps the association had resources on the subject as well.” Providers might find information -- such as reminders to submit a written report along with consultation codes -- more palatable coming from an association rather than from a managed care organization, because insurers and providers are so frequently at odds, Smith adds.

Even if these measures aren’t in themselves successful, if your plan does wind up litigating, you can show that you performed due diligence in trying to remedy the matter without involving the courts. “You can show your work up to that point,” Smith notes.

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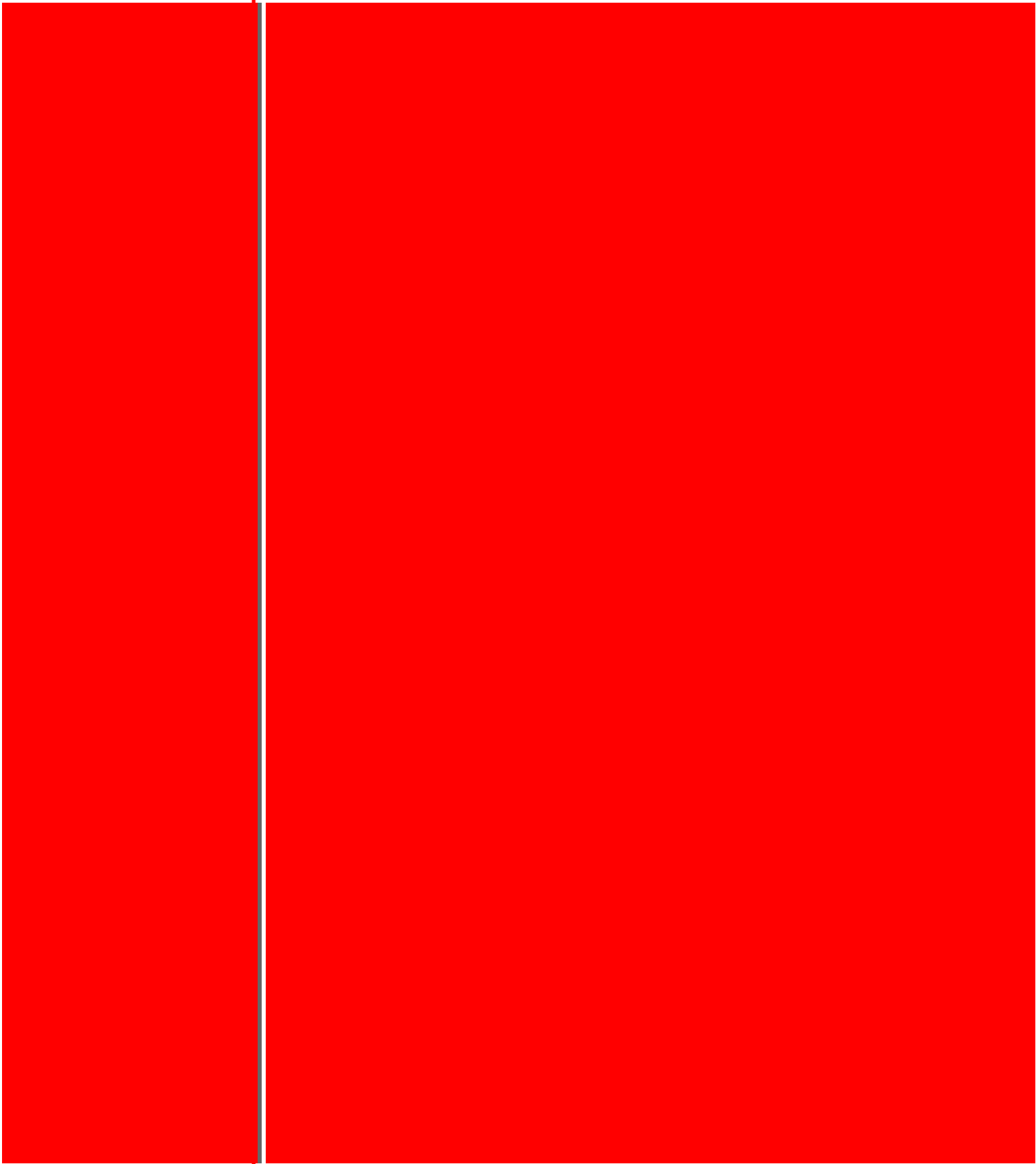
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