Developing Insurance *Follow-Up* From Within

By Rebecca Gerber, Office Management Services

Throughout my consulting and office management career, I have received many inquiries regarding dental insurance. There really is no cookie cutter approach in the fundamentals, since insurance policies and procedures can change on a regular basis. Therefore, whether or not a dental practice accepts insurances and how they handle them, depends on the culture, demographics, age of the practice, and preference of the doctor.

According to a recent study by the CDA:

- More than half of the patients see a dentist less than five miles from home or work.
- Only 24 percent (of patients) are willing to pay more to go to a dentist of their choice rather than one on a list.
- More than half of the patients with a regular dentist have been seeing their dentist for less than five years.

Because of these statistics, with more than 2600 dentists in San Diego County, how the front office bills or deals with insurance can either make or break the practice. While the way the front office handles insurance billing can be considered internal marketing as well as cash flow, it is essential under all circumstances to follow-up promptly and efficiently on outstanding claims (accounted for as accounts receivable). For this reason, it is suggested that each office have a dedicated and detail oriented employee for insurance control and follow-up.

It is important to make sure all out going insurance claims are checked daily. The four reasons why claims are not paid promptly are:

- Lost claims
- Missing or incorrect information
- Time requirements for filing
- Simple data entry errors

Each month hold a staff meeting to discuss past due claims and problems the dental office is experiencing in receiving payments in a timely manner. The exchange of ideas between individuals can generate solutions and be a very valuable tool when exercised correctly. Most computer systems will generate an insurance ageing report, which is strongly suggested to use.

Use proper formatting of this report for easy utilization. If it is necessary to have further training, contact your software company.

The following schedule is recommended for written and telephone follow-up for outstanding claims:

- First, telephone contact should be initiated on claims for which no payment or explanation of delay is received from the carrier within 30 days. At this point, it is necessary to obtain information regarding the status of the claim. You should continue making telephone or written contact on a regular basis until payment is either received, the claim is written-off, or the claim is referred to Peer Review. Mail or fax a follow-up letter containing all relevant claim information (including original filing date) and a copy of the original claim
- After 60 days: Send a similar letter and copy of original claim as before. Indicate that the letter is a second, 60-day follow-up and additional follow-up will occur if payment is not received promptly.
- After 90 days: Contact the carrier's president or the highest level person you can contact by phone to determine delay in payment. Call the purchaser's benefits office and notify them of the continuing problem. At this point, all required information should have been sent to the carrier. Above all be sure of your position. If you are right, the purchaser and the carrier's president want you taken care of. Remember that if you use this strategy too often, or you are arguing philosophy, you will be ignored. Again, stress the past due status of the claim, determine if additional information is required, and take appropriate action to speed the carrier's claims payment process.

Make sure to update all fee schedules yearly, whether usual and customary, or PPO. The maximum amount the carrier will pay the provider is based upon a fee schedule or is based on usual and customary charges for an area. If the provider bill is below the fee schedule (or the customary allowance), the full charge should be reimbursed (carriers will pay the lower amount of provider charges versus fee schedule or customary allowance). It is very important to make sure that the dental office is charging proper fees to the insurance carrier.

Clearly, the relationship that exists between dental offices and third party carriers is understandably adversarial at times.

Your interest in getting paid in full is at odds with their interest to minimize payments. Pick out the top 5 insurers that pay 70 percent of your UCR or more, and become intimately familiar with the provisions of their plan. Once this is established, develop an ongoing follow-up system, and have an employee dedicated to utilizing these methods. Using these guidelines will ensure a dental practice can be driven by the highest of quality care and not by lowered insurance standards.

Gerber is president of Office Management Services and has been a Practice Management Consultant in San Diego, Riverside, and Orange County for seven years. Office Management Services offers many different services and programs, including teaching front office professionals. She can be reached at (877) 235-7100 for more information.