Philadelphia Medicine

Volume 110, No. 7 September 2014

Collection strategies can help physician-patient relationship, protect bottom line

By Carol Bishop

Practices must have a good process in place to collect deductibles, co-payments, and co-insurances if they want to continue to offer quality healthcare. When communicated clearly and respectfully to patients, these processes may also help avoid negative effects on the physician-patient relationship and damage to the practice and/or physician's reputation.

Clearly communicating policies and procedures

The first steps in creating this process should include finding a reliable system for checking eligibility, accurately estimating the patient's financial obligation, and reviewing the estimate with patients prior to their appointment or when they check in. When patients know upfront what their financial obligation might be, they are more likely to pay all or some of what they owe at the time of service.

It is vital that staff collect and enter demographic and insurance information correctly at time of check in. The best practice is to verify coverage and the applicable cost share amounts (i.e., co-payment, deductible, and co-insurance).

The practice's bottom line: collection strategies

With payments from patients poised to make up a larger and far more critical percentage of providers' total revenue, bad debt can no longer be viewed as simply a cost of doing business. It now has the potential to damage your practice. For many practices, it's a change in thinking.

- Practices need to ensure that the policies and procedures that are in place are doing everything possible to prevent balances from becoming delinquent, such as:
- Collecting payment (e.g., co-payment, co-insurance, deductible) prior to services being provided
- Increasing the pace of collections to include reducing the number of days between when a bill is sent and when payment is due.

> There is no better time to collect than when the patient is already at the office.

There is no better time to collect than when the patient is already at the office. This will help to avoid wasting more time and money for billing patients later. Even if a patient is not able to pay in full, the opportunity for patients to pay a portion of their bill or set up a payment arrangement with automatic withdrawals is one that is becoming more prevalent.

Practices should also:

- Implement a solid financial and billing policy detailing their expectations for charging, billing, and collecting accounts receivable.
- Educate patients, especially new patients, on their financial responsibilities and on their billing policies and procedures.

This will encourage them to comply. Some examples are office brochures, welcome letters, and websites. The information should include the insurance companies the practice participates with, policies for collecting co-payments, deductibles, co-insurances, as well as payments for non-covered services.

Find more tools, valuable information, and suggested strategies from the Pennsylvania Medical Society (PAMED) at www.pamedsoc.org/collections.

Carol Bishop is associate director of practice economics and payer relations at the Pennsylvania Medical Society.

PCMS NEWS

We're on Facebook!

Want to read more about your fellow PCMS members and medical history in Philadelphia? Check out our new Facebook page ***www.facebook.com/PhilaMedSoc***

Philadelphia Medicine

EDITORIAL BOARD
William S. Frankl, MD
Stephen L. Schwartz, MD
Paul D. Siegel, MD
David Woods, PhD

PHILADELPHIA COUNTY MEDICAL SOCIETY

President
Anthony M. Padula, MD

President-Elect
Michael DellaVecchia, MD

Secretary
J. Q. Michael Yu, MD, FRCPC

Treasurer
Daniel Dempsey, MD

Immediate Past President
Curtis T. Miyamoto, MD

Executive Director
Mark C. Austerberry

Executive Offices
2100 Spring Garden Street
Philadelphia, PA 19130
Phone: (215) 563-5343
E-mail: stat@philamedsoc.org
Web site: www.philamedsoc.org
ISSN 0031-7306

Philadelphia Medicine is an editorial project management service of Healthcare Media International, Inc. (HMI). HMI provides writing, editing, and contract publishing and medical communication consulting services.

Publisher
David Woods, PhD

Production Editor
Norman Kline

For more information about HMI's products and services call
215-351-5328
E-mail: HMI3000@comcast.net
or visit *www.davidwoods.info*

HMI HEALTHCARE MEDIA INTERNATIONAL

Excerpts from Inaugural speech of PCMS President, Dr. Anthony Padula

In 1910, the Flexner report restructured medical education. Now the Patient Protection and Affordable Care Act is changing the access and delivery of health care. It represents the most significant regulatory overhaul of the US healthcare system since the passage of Medicare and Medicaid in 1965.

I have lived through a lot of change in medicine. As a surgeon, I was in group and private practice, I was employed with the Geisinger Health System, and now I am employed by an insurance company. Because of my experience, I understand the challenges of both private practictioners and employed physicians. I also understand the dynamics of our healthcare system, working with an insurance company, to affect better patient care.

And physicians' relationships are changing—with government, with insurers, with patients, with fellow physicians and with hospitals. We can no longer work in isolation to provide the complex services necessary for quality care and good patient outcomes. The importance of physicians leading these diverse models is essential and advocacy is more crucial now than ever before.

The Philadelphia County Medical Society (PCMS) respects the challenges physicians are facing. We all need to adapt. The most important thing that you can do as a physician is speak out on behalf of your patients. If you take one message home, I hope it will be to get involved in organized medicine, get engaged and make your voice heard.

The top challenges:

1. Employed physicians: Employed physicians now outnumber independent ones and delivery of care is increasingly occurring in health systems or hospital based facilities. Hospitals now employ more than 260,000 physicians.

2. Reimbursement incentives are changing: The Medicare and Medicaid Electronic Health Records Incentive Programs provide financial incentives for the "meaningful use" of EHR technology to improve patient care. There are 22 meaningful use objectives. To qualify for an incentive payment, 18 of these 22 objectives must be met.

And then there are Clinical Quality Measures which apply to all providers, regardless of whether they are in Stage 1 or Stage 2 of meaningful use. Physicians are continually frustrated by the regulations and the inability of the Electronic Health Records to talk with one another.

3. The list of challenges goes on and on—maintenance of certification, access to care, public health issues. Relationships are also changing with government, with insurers, with patients and with physicians and hospitals

The most important thing that you can do as a physician is speak out on behalf of your patients. If you take one message home, I hope it will be to get involved in organized medicine, get engaged and make your voice heard.

What can we do about it?

The PCMS, along with PAMED and the AMA will continue to collaborate with institutions, with insurers, and with healthcare providers, to deliver high quality healthcare and address the health issues of the day. This is particularly important as the Affordable Care Act is implemented throughout the nation.

PCMS will strive to be more relevant to our members. We will continue the drive to increase membership started by our past president. We will offer innovative programs and invigorate our website.

As Socrates said: "The secret of change is to focus all your energy, not on fighting the old, but in building the new."

So, I ask for your help. Let's embrace our differences and opinions, with the knowledge that our principles are much the same.

Advocating for patients and physicians will be an ongoing challenge. Physicians must stand strong and not compromise on their ethics or principles, so that decisions and quality of care remain physician-directed.

You've got three choices in life: Give up, Give in, or Give it all you got. Our patients are counting on us, so, let's give it all we've got!

Joint Sponsorship with Pennsylvania Medical Society

PCMS hosts press conference on the crisis in opioid use

By David Woods, PhD

Theodore Christopher, MD

Calling opioid abuse a growing epidemic that doesn't discriminate on the basis of race, age, or gender, Theodore Christopher, MD, a former president of PCMS and a member of the Board of Trustees of the Pennsylvania Medical Society, said there's a need for a controlled substance database. "As an emergency physician," he said, "I see the devastating impact of prescription drug abuse on a regular basis."

Dr. Christopher was speaking at a news conference marking the introduction of guidelines for pain treatment in emergency departments. The stated objective of the guidelines is to relieve pain for patients and attempt to identify those who may be abusing or addicted to opioid analgesics, and refer them for special help.

He expressed the hope that when the House and Senate return to Harrisburg this fall their first order of business should be to pass legislation giving physicians access to a controlled substance database so they can identify scammers and patients with an abuse problem.

Also speaking at the conference were Carrie L. Delone, MD, Physician General in the Pennsylvania Department of Health, who said that emergency care physicians have a pivotal role to play in curbing opioid abuse; but it's an issue that affects all medical practitioners. In fact, president of the Pennsylvania College of Emergency Physicians, Michael Bohrn, MD, told the conference that overdose deaths in Pennsylvania have increased by 570% over the last two decades; that's more than the number of people killed in vehicle accidents, he said.

Mr. Gary Tennis, Secretary, Pennsylvania Department of Drug and Alcohol Programs, said the Department is working on prescribing guidelines for doctors and that drug and alcohol treatment is seriously underfunded.

According to the National Institute on Drug Abuse, the most commonly abused prescription drugs are opioids, CNS depressants, and stimulants prescribed for ADHD. The Institute reports that the number of opioid prescriptions dispensed by US retail pharmacies went from 76 million in 1991 to 210 million in 2010.

As part of his plan to reduce prescription drug abuse and overdoses in Pennsylvania, Gov. Corbett has directed the departments of drug and alcohol programs and the Department of Health to establish a task force on safe and effective prescribing practices in pain management.

The five most important federal fraud and abuse laws applying to physicians

By Julie Sheppard

According to the Office of the Inspector General, the five most important federal fraud and abuse laws that apply to physicians are the False Claims Act (FCA), the Anti-Kickback Statute (AKS), the Physician Self-Referral Law (Stark Law), the Exclusion Statute, and the Civil Monetary Penalties Law (CMPL).

These laws are enforced by various government agencies including the Department of Justice, the Department of Health & Human Services Office of Inspector General (OIG), and the Centers for Medicare & Medicaid Services (CMS).

An overview:

False Claims Act [31 U.S.C. §§ 3729–3733]

The civil FCA generally protects the government from being overcharged or charged for procedures that are not medically necessary. This law works in conjunction with other fraud and abuse laws. If a claim results from a kickback or is made in violation of the Stark Law, it may also be false or fraudulent, creating liability under the civil FCA as well as the AKS or Stark Law.

Anti-Kickback Statute [42 U.S.C. § 1320a-7b(b)]

The Anti-Kickback Statute is a criminal law that prohibits the knowing and willful payment of remuneration to induce or reward patient referrals or the generation of business involving any item or service payable by the federal healthcare programs.

Penalties include sizable fines, jail terms, and exclusion from participation in federal health care programs. Safe harbors protect certain payment and business practices that include personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees.

Physician Self-Referral Law [42 U.S.C. § 1395nn]

The Stark Law prohibits physicians from referring patients to receive designated health services payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship, unless an exception applies. This is a strict liability statute, so proof of specific intent to violate the law is not required. Penalties for physicians who violate the Stark Law include fines as well as exclusion from participation in federal health care programs.

Exclusion Statute [42 U.S.C. § 1320a-7]

OIG has the authority to exclude individuals and entities from federal healthcare programs like Medicare and Medicaid. Individuals may be excluded for reasons that fall into one of two categories: permissive or mandatory. Excluded individuals are prohibited from furnishing all types of services including administrative and management services.

Civil Monetary Penalties Law [42 U.S.C. § 1320a-7a]

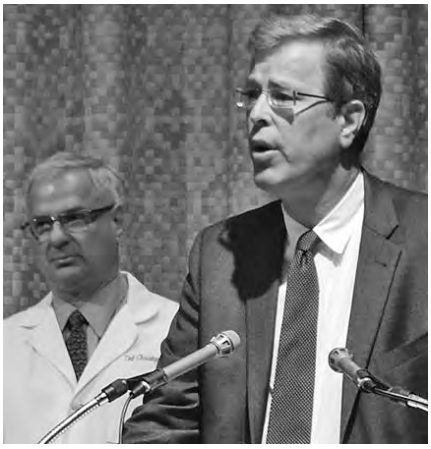
OIG may seek civil monetary penalties for a wide variety of conduct, and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties range from $10,000 to $50,000 per violation.

This article was previously published in BC Advantage magazine.

pcms people

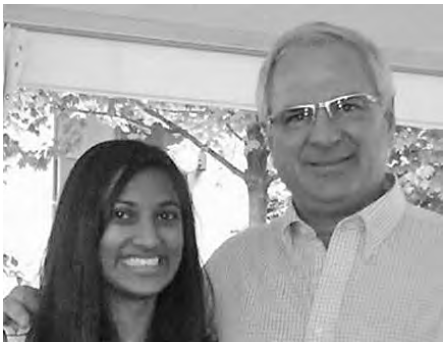
PCMS/PAMED joint press conference on the state of Pennsylvania's release of guidelines for emergency departments on the use of prescription opioids

Anthony Padula, MD, PCMS president, with Carrie L. Delone, MD, Pennsylvania Physician General



Theodore Christopher, MD, PCMS past president, with Gary Tennis, Secretary, Pennsylvania Dept. of Drug and Alcohol Programs

Medical student recruitment at Thomas Jefferson University



Kinnari Patel, medical student and PCMS Board member, and Theodore Christopher, MD

Additional pictures of these and other PCMS events can be found on the Society's Facebook page: *www.facebook.com/PhilaMedSoc.*

Official Publication of the Philadelphia County Medical Society • www.philamedsoc.org

Philadelphia Medicine
2100 Spring Garden Street
Philadelphia, PA 19130

PRSRT STD
U.S. POSTAGE
PAID
SOUTHAMPTON, PA
PERMIT NO. 225