

Hospital Access Management™

Admitting • Reimbursement • Regulations • Patient Financial Services • Communications
Guest Relations • Billing & Collections • Bed Control • Discharge Planning

Insurer won't pay, says auth wasn't provided? Prove otherwise!

Your hospital can put a stop to costly penalties

If one of your registrars followed payer requirements to obtain a required authorization, it might become a “he said/she said” situation if the claim is later denied.

When fighting unfair claims denials, “technology can add to your success,” says Carol Plato Nicosia, CHFP, CPAM, MBA, administrative director of corporate business services at Martin Memorial Health Systems in Stuart, FL.

“Most of our denials relate to authorization issues,” says Nicosia. “Authorizations are the single most costly part of our revenue cycle: obtaining them, documenting them, and fighting with payers over them.”

The patient access department at Advocate Condell Medical Center in Libertyville, IL, is seeing a “huge increase in authorization requirements,” according to Margie Mukite, director of patient access. “They keep adding different procedures. It is getting overwhelming.”

Payers and providers incur additional costs due to the authorization process, adds Nicosia. “The only cost savings is when an insurance company is able to deny the service because of the lack of an authorization,” she says. “It sure seems like a lot of wasted effort on both sides.”

The most complicated denials occur when the provider has asked for an authorization for a certain CPT code and the actual procedure ends up being something slightly different, says Nicosia. “Those will create a denial that always has to be appealed,” she says. “This is a perfect example of wasted money on a process that is totally unnecessary, because the procedure was medically necessary in the first place.”

To overturn these denials, Martin Memorial’s registrars now record telephone calls regarding authorizations. “These calls, and actual faxes, are indexed to accounts and can be used to help in denial recovery,” she says. Registrars take these steps:

- Phone numbers and the name of the person spoken to are documented.
- All phone calls with payers are recorded.
- Any documents received from the payer are scanned to the account for future reference.
- If the patient claims he or she does not have insurance, the patient signs a form stating that if insurance is discovered later, it will be the patient’s responsibility to appeal the denied claim.

“The most proven method is recording calls,” says Nicosia. “Some payers do not like it, so we make sure we put it in our contracts.” Within one week of recording calls, registrars were able to prove to a payer that they had indeed performed a timely notification of admission, which meant a \$12,000 denied claim was

EXECUTIVE SUMMARY

Patient access departments are seeing increasing numbers of claims denied due to lack of authorization, even when the authorization was, in fact, obtained. By recording calls, registrars at Martin Memorial Health Systems were able to get payment for a \$12,000 denied claim. To successfully appeal denials:

- Record all phone calls with payers.
- Be able to prove you left a message after hours.
- Specify whether the authorization is for outpatient or inpatient status.

paid, reports Nicosia.

When a payer refuses to pay a valid claim, however, Nicosia says that it is ultimately the patient's responsibility to resolve the matter. "The hospital has provided services and needs to get paid. The business office is only a conduit," she says. "The ultimate responsibility lies with the patient in situations that are not straightforward."

Recordings are used

Whenever a registrar at University of Louisville (KY) Hospital speaks to anyone at an insurance company, use of a tracking device (Trace, from the White Stone Group, Knoxville, TN) is mandatory, says **Mary G. Lawson**, BSN, MPA, director of admissions.

"All of our registration areas use it, as well as care coordination, scheduling, the business office, and [Health Information Management]," says Lawson. "This records everything that is said when we are verifying that authorization for that hospitalization or procedure, or notifying the

insurance company that a patient has been admitted."

State laws vary, requiring that either one or both parties must be aware of the recording, notes Lawson. "Trace notifies the party we are calling that they are being recorded," she adds.

Registrars document the number of the recording in the patient's chart, says Lawson, and if the claim is later denied, the recording is used by the hospital's care coordination to appeal it. The same process is used if the notification of a patient's admission occurs after hours and is left on the recorded line of the payer, because the payer might later say they never received notification, says Lawson.

"It sometimes happens that they will say that the episode of care was never opened," she says. "Some insurance companies charge us penalties. It may be a certain amount of money, or they may deny the first day."

When a denial is sent to case managers, they can look at the notes in the patient's case and listen to the recording, says Lawson. "They write their appeal letter based on that information," she says. "We've had very good success with that."

For more information on appealing claims denials, contact:

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trace

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