

Business Mastery

§6 Business Operations

Practice Management

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Practice Management

Health Insurance Portability and Accountability Act

- The Four Facets of HIPAA
- Who Must Comply with HIPAA Regulations?
- Myths
- Steps to Implement Now

Insurance Reimbursement

- Insurance Claim Processing Overview
- To Bill or Not to Bill
- Types of Insurance Providers
- Licensing Regulations
- Procedure and Modality Codes

- Basic Steps for Submitting Claims
- Electronic Billing
- The Affordable Care Act

Anatomy of a Contract

- What to Include

Negotiations

Conflict Management

- Mediation and Arbitration

KEY

Terms

- Affordable Care Act
- Arbitration
- Breach of Contract
- Business Associate
- Comorbidity
- Confidentiality
- Conflict
- Conflict Management
- Confrontation
- Contract
- Current Procedural Terminology (CPT) Codes
- Diagnosis
- Health Insurance Portability and Accountability Act (HIPAA)

KEY

Terms

- ❑ Health Maintenance Organization (HMO)
- ❑ Insurance Claim
- ❑ Insurance Reimbursement
- ❑ International Classification of Diseases-Tenth Revision-Clinical Modification Code Book (ICD-10-CM)
- ❑ Lawsuit
- ❑ Litigation
- ❑ Managed Care Organization
- ❑ Mediation
- ❑ Medicaid
- ❑ Medicare
- ❑ Modality

KEY

Terms

- ❑ National Provider Identifier (NPI)
- ❑ Negligence
- ❑ Negotiations
- ❑ No-Fault Insurance
- ❑ Occupational License
- ❑ Personal Injury Insurance
- ❑ Personal Injury/ Med-Pay Insurance
- ❑ Preferred Provider Organization (PPO)
- ❑ Prescription
- ❑ Procedure
- ❑ Protected Health Information (PHI)

KEY

Terms

- ❑ **Uninsured Motorist Insurance**
- ❑ **Workers' Compensation Insurance**

Health Insurance Portability and Accountability Act

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is intended to protect the privacy of healthcare consumers and establishes compliance rules for healthcare providers. Revisions have added security protection guidelines for the use of health information technologies.



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HIPAA *(cont.)*

- HIPAA has 3 major purposes:
 - Protect and enhance consumer rights by providing access to personal health information and controlling inappropriate use of that information.
 - Improve healthcare quality by restoring trust in healthcare system among consumers, healthcare professionals, and organizations and individuals committed to delivery of care.
 - Improve the efficiency and effectiveness of healthcare delivery via a national framework for health privacy protection building on efforts by states, health systems, organizations, and individuals.

HIPAA (cont.)

- Who has to comply with HIPAA?
 - Unfortunately, the answer isn't straightforward.
 - The current emphasis of HIPAA compliance centers on electronic transmission of a client's Protected Health Information (PHI).
 - Go to website to determine if you are a **Covered Entity**.
 - Even if you don't need to be HIPAA compliant for your own practice, you still need to be compliant if you work with other covered entities.



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HIPAA Tips

- Designate someone in your office (or hire an outside party) as a Privacy Officer. This person is responsible for creating a process to handle PHI. If you work alone, you're the privacy officer.
- Train office staff on how to handle PHI, including what circumstances PHI may be disclosed.
- Use consent or authorization documents that clients sign.
- Don't discuss any medical information with any third parties unless written consent or authorization has been obtained.
- Be careful when discussing a client's PHI with office staff. Be aware of who may overhear conversations.
- Assign User IDs and passwords to anyone with access to electronic information.

HIPAA Tips (cont.)

- Verify that your software has effective security features allowing you to comply with HIPAA regulations.
- Use passwords and security programs to protect and maintain electronic files.
- For email, obtain written consent from the client and use secure transfer methods (encryption). Use electronic signatures to authenticate who sent the email.
- Use auditing software to monitor who sent what and when.
- Develop a policy and procedure manual that delineates how you handle all aspects of HIPAA compliance. Also, designate your policy for the destruction or retention of client records that includes email communications.

HIPAA Tips (cont.)

- Design a client information sheet that explains the following: how you use clients' information; the storage method for client files; the circumstances under which you may disclose client information; and the procedure for clients to see or obtain copies of their files.
- Store all client files in a locked room or in a locked cabinet. Only allow authorized employees access to these files.
- Don't leave files in an area that is accessible by clients or unauthorized staff.
- Keep appointment books from view of anyone except those directly dealing with client care.
- Get authorization from clients about marketing (including greeting cards, flyers, and newsletters) and communications, such as appointment confirmation notices.

HIPAA Tips (cont.)

- Present each client with a “Notice of Privacy Policies” form.
- Have new clients sign a separate form indicating that they’ve received the Notice of Privacy Policies.
- Have each client sign a form giving consent for treatment, payment, and healthcare operations.
- When applicable, have clients sign an authorization for any and all releases of PHI.
- Put confidentiality notices on all faxes and emails.



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Insurance Reimbursement

- Accepting insurance can be an incredible boon to your business unless improperly managed.
 - Accepting insurance can be determining factor in whether a potential client chooses you as her wellness provider.
 - Insurance companies are imposing stricter guidelines about what they consider acceptable care and under what conditions.
 - Decide if you'd like to accept insurance by doing the math to figure out if it will help your bottom line and help your business be more profitable.

Insurance Claim Processing

- The 3 main types of insurance claims are:
 - **Motor Vehicle Collisions** (MVC), also known as Motor Vehicle Accidents (MVA).
 - **Workers' Compensation.**
 - **Private health insurance companies** such as a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO).



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Types of Insurance

Fee for Service

Workers' Compensation

Personal Injury

No-Fault

Personal Injury

Protection/Med-Pay

Uninsured Motorist

Medicare

Medicaid

Figure 19.2, *page 270*

Types of Insurance Providers

- Managed Care Organization (MCO)
- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
 - Consider licensing requirements.
 - Be aware of complex procedure and modality codes
 - Derive diagnostic codes for licensed healthcare providers that are listed in an ICD-10-CM (International Classification of Diseases-Tenth Revision-Clinical Modification) Code Book

Basic Steps for Submitting Claims

- If you aren't considered a primary care provider, you must have a written prescription from a referring physician.
- Verify coverage.
- Prepare the claim form
- Submit the completed claim form.
- Record the treatment session, amount billed, and total amount due.
- Copy all checks when received, record payment and balances due.



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Reasons for Denials, Delays, or Reductions

1. Prescription is outdated or not included in the claim.
2. Documentation isn't accurate.
3. Claim isn't submitted in a timely manner.
4. CPT Codes aren't in scope of practice.
5. Fees are more than usual, reasonable, and customary.
6. Accepting a type of case not covered by the policy.
7. Pertinent information isn't included on the claim form.

Top 10 Billing Tips

1. Submit claims “personal & confidential” to the adjuster in charge.
2. Check your prescriptions often to make sure they haven’t expired.
3. Be sure client has provided completed history form with all required contacts.
4. The best time to contact insurance companies for verification or authorization is during the middle of the week and not around lunch or closing time.
5. Have a pre-printed prescription sheet so the physician knows which services you provide.
6. Ask the client to advise you whenever a new physician or attorney is involved in his case.
7. Use black or blue ink for all documentation or claim forms if not printed.
8. Know that medical cases are legal cases, so document them accordingly.
9. “If it isn’t documented, it wasn’t done.”
10. Document and submit claims for only that which is written on the prescription.

Electronic Billing

- This type of insurance claim gets processed and paid much more quickly.
- Can simplify recordkeeping and decrease the time spent processing claims.
- Those who submit electronic claims have fewer denials, reductions, and disputes.
- In short, electronic billing can save you time, money, and enhance your cash flow.



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The Affordable Care Act

- Contains a section that may change the future for CAM providers:

SEC. 2706. NON-DISCRIMINATION IN HEALTH CARE.

*(a) **Providers-** A group health plan and a health insurance issuer offering group or individual health insurance coverage shall not discriminate with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable State law. This section shall not require that a group health plan or health insurance issuer contract with any health care provider willing to abide by the terms and conditions for participation established by the plan or issuer. Nothing in this section shall be construed as preventing a group health plan, a health insurance issuer, or the Secretary from establishing varying reimbursement rates based on quality or performance measures.*

*(b) **Individuals-** The provisions of section 1558 of the Patient Protection and Affordable Care Act (relating to non-discrimination) shall apply with respect to a group health plan or health insurance issuer offering group or individual health insurance coverage.*

The Anatomy of a Contract

- Legal forms and agreements are an integral part of any business relationship; yet, too often people avoid written contracts.
 - Ideally, you would come to the negotiating process with a sample of your own contract and the checklist, review the other party's contract, and create a contract mutually agreeable to both of you.
 - Most issues can be addressed in a 1-2 page contract document. Sometimes an informal letter of agreement serves the same purpose, sans legalese.

Contract Checklist

- Names and addresses of all parties involved
- A short description & mission statement of companies involved
- A statement summarizing the desired role of contracted party
- A classification of the business relationship
- A detailed description of what each party agrees to provide
- A timetable for the work to be performed
- Location of where work is to be performed
- The duration of the contract
- Payment method and schedule
- Additional benefits
- Opportunities for increases in financial remuneration

Contract Checklist (cont.)

- Insurance coverage provided
- Insurance coverage required
- Guarantees
- Financial obligations of the contracted party
- Conditions for termination of the agreement
- Guidelines for transfer of the contract
- Arbitration
- Designate responsibility for legal fees if breach occurs
- The location and contact to send communications regarding the contract
- Signature lines and date the contract is signed

Negotiations

- Throughout your career situations will occur where negotiation skills serve you well—such as negotiating an employment contract, vendor agreement, or working arrangements with team member
 - When it comes to unhappy clients, do your best to appreciate their feedback—even if it lacks tact or diplomacy

Negotiations (*cont.*)

- Ways to fine-tune negotiations
 - Consider the logistics such as time and place
 - Prepare by defining your bottom line, lines you won't cross, and by setting an agenda
 - Negotiate styles and personality dynamics
 - Use active listening skills
 - Walk away for awhile if you reach an impasse
 - Set time limits for complex negotiations
 - Pause and reflect

Conflict Management

- Conflict occurs when individuals or groups aren't getting what they need or want.
- Tips to help build conflict management skills:
 - Compromise
 - Gain perspective before entering conversation
 - Identify one thing you can do about the conflict
 - Clearly identify the issue
 - After looking at issue and solution, wait a day before taking action
 - Use "I" rather than "You" statements

Conflict Management (*cont.*)

- More tips to help build conflict management skills:
 - Give full attention when listening/use active listening
 - Talk in terms of present
 - Identify points of agreement v. disagreement
 - Refrain from venting; stay centered
 - Don't over-apologize
 - Focus on issues and solutions, not the person
 - Ask “What can we do to fix the problem?”
 - Identify one action both parties can take
 - Ask for a “cooling off period”
 - Consider a third party mediator

Common Sources of Conflict

- Poor communication
- Not involving people in decision-making that directly affects them
- Clashes in chemistry—rooted in either conflicting values or personality styles
- Inconsistent leadership
- Broken promises
- Lack of fairness (e.g., favoritism toward certain employees)
- Lack of openness
- Violated expectations
- Poor behavior (e.g., boundary violations, broken commitments, disrespect)

Highlights

The Health Insurance Portability and Accountability Act (HIPAA) is designed to protect the confidentiality of consumers' healthcare records and improve the efficiency of health care by creating a national framework for health privacy.

Although accepting insurance reimbursement can help build business, it also requires specialized expertise to effectively manage third-party reimbursement, workers' compensation cases, and personal injury claims.

Highlights *(cont.)*

The three major types of insurance providers are Managed Care Organizations (MCOs), Health Maintenance Organizations (HMOs), and Preferred Provider Organizations (PPOs).

Procedure and modality codes which indicate the type of services performed during the session are required to process insurance claims.

Diagnostic codes are used to indicate a medical condition for diagnosing and prescribing treatment and therapy.

Highlights *(cont.)*

The Affordable Care Act is helping CAM practitioners who are licensed healthcare providers to receive insurance reimbursement.

A working knowledge of contracts is essential. Contracts or letters of agreement are often used to define the terms and conditions of employment and document vendor agreements.

The goal of all negotiation is to find a rewarding and mutually satisfying outcome for all parties. For this to occur, each person must feel heard and valued as an individual.

Highlights (*cont.*)

Learning how to skillfully handle conflicts with clients and co-workers offers many benefits such as more self-confidence, less anger, and greater enjoyment of life.

There are two types of arbitration - binding and non-binding. Only in a non-binding arbitration would parties be free to take their case to court as binding arbitration accepts that the arbitrator's judgment is final.