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3 Common Surgery Center Billing, Coding and Collection Mistakes

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Simple billing, coding or collection mistakes can affect the overall profitability and efficiency of an ASC. Brice Voithofer, vice president of anesthesia and ASC services for AdvantEdge Healthcare Solutions, shares his insight on the top three billing, coding and collection mistakes he sees at ASCs.

AT A GLANCE:

1. No automated denial management system
2. One staff member with the responsibilities of many
3. Inaccurate dictation

THERE IS NO AUTOMATED DENIAL MANAGEMENT SYSTEM

Receiving denials from payors is one aspect of the billing and collections process surgery centers deal with on a routine basis. However, Mr. Voithofer says many ASCs fail to implement a system of tracking and trending for these denials, which is, in his opinion, the most common mistake ASCs make when it comes to their billing practices.

"Most surgery centers will correct the individual denial, resubmit the claim and in many cases eventually receive payment," Mr. Voithofer says. "But, they don't aggregate these denials in a report to see what the root causes of the denials are."

Mr. Voithofer suggests developing denial reports so that the center can look at denials by payor, surgeon, referring physician, procedure, etc. "Centers can use these reports to pinpoint where errors and omissions that most frequently result in denials occur and then attempt to reduce those mistakes through education," he says.

Gathering data on the number and dollar amounts of denials can also provide ASCs with additional information when discussing problems with payors or surgeons."If one payor is consistently denying claims, arrange to meet with that payor to change the activity," Mr. Voithofer says.

ONE STAFF MEMBER IS RESPONSIBLE FOR THE DUTIES OF MANY

Surgery centers often only employ one or two coders and/or billers to handle all of the functions of the billing office. According to Mr. Voithofer, this can lead to errors due to the volume and variety of work the billers are required to do.

"Typically, centers have one or two employees to perform all functions, and they expect that single person to be an expert in all of them," Mr. Voithofer says. "This rarely works. We typically see that they will excel at some, but fail at others; a Jack of all trades is a master of none."

While some centers are able to work well with just a few billers and coders, Mr. Voithofer notes that in other centers something — compliance, cash collections, etc. — will usually suffer as a result. Adding staff or outsourcing some operations may be justifiable if a decrease in errors and increase in efficiency leads to improved financial results that cover these costs.

INACCURATE DICTATION CAN LEAD TO UNDERBILLING OR OVERBILLING

Coders rely on accurate dictation of procedures from surgeons so they can bill appropriately for them. Mr. Voithofer says that many times coders will bill correctly for the main procedures but miss add-ons if the report is not clear.

"Dictation and transcription are often done quickly so they can get to billing," Mr. Voithofer says. "However, ASCs can take these missed add-ons as opportunities to educate staff members and find more revenue."

Mr. Voithofer suggests having coders sit down and look over reports with the surgeons every six months.

"The coder can say to the surgeon, 'When you do this procedure, you missed these steps in the report,'" he says. "Or the coder can help to point out trends in the surgeon's procedures. By looking over the reports, the coder and the surgeon can try to create a thorough report so that centers are not over- or under-billing."

Mr. Voithofer does caution that the purpose of this analysis is to address deficiencies in documentation, not to look for an opportunity to "pile on the charges." Clinically appropriate documentation and coding is the objective.