Dynamic Chiropractic

YOUR PRACTICE / BUSINESS

Cash Practice or Insurance Practice? That Is the Question

Lisa Bilodeau, CA

I am constantly approached by chiropractors who ask what it takes to become a cash practice. Some are new doctors fresh out of school, and many have established practices and are considering switching from an office that accepts assignment from insurance carriers to a cash practice. This is what I tell them.

First and foremost, federal Medicare laws require that you send all claims directly to your local contractor, either by paper or electronically, for all manipulations to the spine. In addition, many states require that you submit claims for all work-related injuries directly to the workers' compensation insurance carrier. Also, if you are a contracted provider for an insurance carrier, most contracts require that you do the billing for the patients and accept a negotiated rate and payment directly from them. Therefore, if you wish to treat Medicare, workers' compensation, or in-network patients and are required to do the billing, you are what I consider a "modified cash practice."

Many doctors decide that they want to become cash practices because they "don't want to deal with insurance carriers" or are "tired of dealing with insurance carriers." What you need to know is that if you don't dot your "i's" and cross your "t's," the patients may not receive the reimbursement they expected and leave your office to find a chiropractor who will accept the payment directly from the insurance carrier, and only have to pay their deductible, co-pays and non-covered services at the time of service.

To keep patients coming to your office, referring others and paying you in full at the time of service, it behooves you to follow these steps.

- Be the best chiropractor in town.
- If the patient has health insurance coverage, confirm that they have benefits that will cover the services in your office. Your office can verify the benefits for the patient by phone or if you are a covered entity under HIPAA, you can verify them on-line. Or you can provide the patient with an insurance-verification form and instruct them to call the carrier to verify their out-of-network benefits. A word of caution: Many carriers will advise the patient that if they were to see a network provider, they would have to only make a co-pay and will then gladly provide the names, addresses and telephone numbers of in-network providers. It's possible that the patient will not return to your office, but go to one of the providers the insurance carrier gave them. If you would like a sample verification form, please e-mail me at lisa_bilodeau@hotmail.com and write "IV" in the subject box.
- If they have coverage for services in your office, you will provide the patient with two completed CMS-1500 forms (please read the section below, "What Is a Superbill?") that they can submit directly to their carrier for reimbursement.
- If their insurance has a limit on the number of visits per year or their benefits have been exhausted, it is not necessary to provide them with the CMS form to send to the carrier. However, you still need to provide them with a simple receipt for payment.
- I have heard that some offices have a policy which states that, as a cash practice, they will

not provide the patient with any type of claim form to send in to the carrier for reimbursements. According to Sam Collins, seminar and insurance network director of the H.J. Ross Network, there is no law that says you must provide the patient with a form to send in to their carrier for reimbursement. However, there are laws that state you must provide them with a receipt for payments received. Keep in mind that if the patient does send their payment receipt to their carrier, the carrier will most likely not be able to reimburse the patient without valid diagnosis and procedure codes.
- For some reason, many providers believe they must do the billing for personal-injury cases. In most states, there are no laws that state you must do the billing. If your state doesn't require that you do the billing, these patients should pay you in full at the time of service. They can then send the claim form to their med-pay carrier, attorney or liability carrier for reimbursement.
- Go the extra mile. For the price of a stamp and envelope, why not submit the claim for your patients or better yet, send it electronically, so patients will receive faster reimbursement?

Questions to Ask Yourself

When my great cash-paying patient becomes eligible for Medicare or is injured on the job, am I willing to refer them to another chiropractor who will do the billing for them? Do I know and obey my state laws regarding cash discounts or prepaid plans? For example, in California, where I live, the State Board of Chiropractic Examiners requires that prior to instituting any prepaid plan, the chiropractor submits it to both the State Department of Insurance and the State Department of Managed Health Care. All too often, doctors tell me that they offer these types of plans because their practice-management group recommended the plans or a friend down the street offered an illegal plan, so it must be OK. Remember that ignorance is not bliss and that two wrongs don't make it right. It could cost you your practice.

What Is a Superbill?

A superbill is a properly completed CMS-1500 (08/05) form. By *properly completed,* I mean that you have produced a "clean claim." Every box is completed and information such as the date of onset, diagnosis, ICD-9, CPT, and HCPCS codes and modifiers are correct.

After the patient has paid you in full, you will provide them with a completed CMS-1500 (08/05) form with box #13 left blank. (This is the box that authorizes payment to come directly to the doctor's office.) If you don't have practice-management software that will accommodate this form, there are several companies that sell CMS-1500 (08/05)-only software. If you need the names, please e-mail me and write "CMS" in the subject box.

Personal Experiences With Chiropractors Who Have Cash Practices

- Situation 1: When they give me a form other than the CMS-1500 form, I have to attach their form to a claim form from my health insurance carrier. This is time-consuming and when the insurance carrier receives the form, they must hand-enter the data in order to process the claim. In most cases, it takes one to six months for me to receive reimbursement. Solution: Give the patient two copies of the properly completed CMS-1500 form. One copy is for them to send in for processing and the other is for them to keep, just in case the insurance carrier "did not receive it." If you are not going to give your patients the CMS-1500 form, either provide them with a form that contains the same information or provide them with written instructions on how to file a claim.
- Situation 2: One of my chiropractors in the name of "keeping it simple" instructed his CA to check 739.1, 739.2 and 739.3 on the superbill every visit, even when I was not treated for those conditions. Not only was this fraudulent, but eventually, the carrier stopped reimbursing me because they considered the care "not medically necessary." At this point, I

went to the doctor and demanded that he write a letter to the insurance carrier providing them with a correct accounting of my conditions and corrected billings. In this case, it took six months or longer for the carrier to review the file and corrected claims and issue me reimbursement.

Solution: The bottom line here is: Do it right the first time. The amount of time the doctor had to spend writing a letter to the insurance carrier and producing corrected claims took much longer than if it had been done correctly in the first place. Yes, he did not have to write a letter for me, but he ran the risk that I would voice my concerns of fraud to the carrier or state board and even the possibility that I would leave his practice or tell others not to see him due to these fraudulent practices.

Admittedly, I have just scratched the surface of this topic. For additional information, you might read "Would You Advise a New Graduate to Pursue an All-Cash Practice or Tough It Out In-Network?" which appeared in the January 2007 *ACA News;* or "Cashing in on Chiropractic Care," which appeared in the November/December 2006 issue of *CCA Advantage*.

NOVEMBER 2007