Increase Your Collection Ratio with Proper Insurance Management

Three important tasks the front desk staff should regularly be performing to ensure the best collections for the practice are:

✓ Verifying patient’s insurance eligibility and benefits.
✓ Utilize a coverage table in the practice management software for each insurance plan.
✓ Utilize a payment table in the practice management software for each insurance plan.

These three important tasks must be diligently performed to accurately collect co-payments from parents to assure the highest collection ratio for the practice. When these tasks are not performed properly, the results are a lower collection ratio due to a higher accounts receivable and increased labor costs due to the extra time staff must spend trying to collect unpaid balances after the insurance claims are processed.

The coverage and payment tables are often the most underutilized functions of the practice management software. Often the capabilities of these tables are ignored, misunderstood or deemed too complicated by the front desk team because of lack of training or lack of adequate staffing to get these jobs done.

Verifying insurance benefits before the patient’s appointment

Providing advance verification of insurance benefits for patients is an excellent tool for your front desk team to show its level of customer service. Offer to do a complimentary benefit check, especially for new patients, so the parent can be informed of their anticipated insurance coverage. Parents appreciate finding out issues in advance rather than taking time off work or school to come to an appointment only to find out there is an insurance problem while waiting to be seen. If problems are found in advance, this will allow time for resolution prior to the child’s appointment.

The benefit check is a welcomed customer service experience for parents. Offices have found that parents will choose their office over another on the provider list by the warm welcome and level of customer service they receive when helped by a dental insurance ambassador.

This service sets up a positive relationship and prevents any unexpected insurance issues with the parent at the time of check out. This is crucial now that many families may have switched to coverage due to the Affordable Care Act, in which some plans purchased in the Exchange no longer cover preventive services at 100 percent and can have combined medical and dental deductibles up to $6,250.
Steps for verifying eligibility and benefits:

- Collect benefit information from a new patient at the time of scheduling on the phone. This will allow time to confirm eligibility and benefit coverage well in advance of the scheduled appointment and the patient can be advised of any eligibility concerns.

- The verification process should be done three days in advance so that the appointments with insurance issues that cannot be timely resolved, can be moved and replaced with patients from the dental software’s priority list. If benefit verification is being done the day before or when the patient arrives at the office and an issue occurs, valuable treatment time is lost while waiting for a resolution.

- The most time-effective way to verify benefits is to use online electronic verification systems that interface with the practice management software, instead of calling by telephone. Often front desk staff can be on hold 30-45 minutes before they even get to speak with a representative and then the representative will limit the number of patients that can be inquired about.

- There are several electronic options that verify eligibility. Unfortunately, we have not found any single verification system that works with all insurance plans. We have found that a combination of verification systems can be used to successfully verify the eligibility and benefit coverage; Dental X Change, Trojan and EClaims Service with Dentrix.

Utilizing Coverage Tables and Payment Tables in the software

Practice management software programs are set up to calculate the patient’s correct insurance coverage through the use of a coverage table and a payment table for each insurance plan. The coverage table contains information on the insurance plan's deductible, maximum and percentage of coverage for preventive, restorative, etc. The payment table, when utilized correctly, allows the software to build a history of the actual payment amounts received from the insurance plan for each procedure. This creates a more accurate estimate of insurance coverage for the parent instead of relying only on the insurance plan's stated percent of coverage for a procedure. For example: if the fee for procedure X is $100 and the insurance coverage is 80 percent, the expected estimated payment should be $80. However, most insurance plans have up to an allowable amount they will cover for each procedure. If the allowable amount for procedure X is actually $90, then coverage will be 80 percent of $90 which is $72. A difference of $8 is not collected at the time of service if the payment table has not been used to save the payment history of the insurance company.

When the coverage table and payment table are used correctly for each insurance plan, the allowable amount from the above example of $72 is recorded in the payment table and the next time that procedure X is treatment planned, the software will estimate coverage as $72 rather than $80. The software learns the true coverage and the payment table will then override the coverage table as it builds this information.

The key to this accuracy is to properly enter the insurance payments by each procedure instead of entering the bulk insurance payment for the total claim. After this is done the payment table must be updated each time. Very often this function is ignored in the software.

Utilizing these tables can greatly reduce your account receivables and increase your cash flow. The small differences in payments collected at the time of service can add up to large amounts each month because of the high volume of procedures pediatric dental practices perform that have insurance coverage.

A practice may be hitting or exceeding their production goals, but if the front desk team is not collecting accurate co-payments from parents, then practice collections will not reach their highest level. The more the front desk team learns how inaccurate estimated co-payments negatively impacts collections and eventually team raises and benefits, the more committed and careful they will be about collecting all balances due at the time of service.
Steps for collecting accurate copays

- Attach a fee schedule to the coverage table for each in-network insurance plan the doctor is a provider for. This will provide accurate estimates and will minimize time-consuming adjustments, refunds and billing statements.

- Always present a written treatment plan to the parent that will show what their estimated copayment will be for their child's visit. Confirm that this payment amount is comfortable for the parent to pay at the time of service. If this amount does not work for the parent, make other arrangements by offering a financing option, a prepayment plan or doing less treatment at the appointment.

- Parents do not understand that accepting assignment of benefits and processing their insurance claim is a courtesy provided by their child's dental office. There is an expectation that this is a health care provider's responsibility; however, with competition for new patients at an all-time high, it is a necessary service which in many parts of the country is no longer optional.

- Always submit claims with your full fees so the insurance company will have a record of the full fee amount for the procedures. This will also be reflected on the explanation of benefits.

“Success in management requires learning as fast as the world is changing.”

~ Warren Bennis

Does Your Front Desk Staff Have the Skills to Collect All They Can?

We can help them learn...
- How to verify insurance eligibility & benefits efficiently
- How to use the software’s Coverage & Payment Tables
- Verbal skills to retain current patients and encourage out of network patients to stay
- How to set up an effective collection system and in-house financing to handle the high deductibles and co-payments with ACA plans.

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