COMPUTERS CAN FOIL INSURANCE RECOVERIES

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Automated health insurance contract management systems are commonplace in the healthcare industry, but sometimes they can be more of a hindrance than a help. A healthcare organization’s patient accounts department should not depend solely on automated systems, because computers do not ensure accurate processing of insurance claims. Inaccurate insurance payments can result in over billing patients and excessive contractual adjustments. Erroneous underpayments can also be costly when added to already deeply discounted rates. Any hospital with a volume of contract business is exposed to significant underpayment risk.

In today’s competitive environment, insurance contracts are complex, requiring care in interpreting contract provisions and in entering terms into the contract management system. If insurance contract rates are incorrectly loaded into the system, healthcare organizations can be denied revenue that is much needed in today’s economic climate. Insurance companies are also using automated systems that may or may not be able to handle these complex contracts.

Reviewing the automated contract management system is one way to catch errors, thereby reducing denials and optimizing revenues. Although such reviews create an additional expense, payment inaccuracies can be more costly. An excellent way to implement this best practice is to begin examining zero-balance patient accounts. Healthcare organizations should analyze such accounts to determine whether they were paid correctly under the appropriate insurance contract. At the very least, a review should be incorporated into the organization’s denials-management program. A manual review by a qualified professional will ensure that payments are correct, contract management systems are loaded properly, and contract summary documents provided to the patient finance staff that are ultimately responsible for proper collection, are accurate and current.