

8 Tips for Owning the Dental Practice Revenue Cycle



Manage the Revenue Cycle

Providers have to manage many points along the dental revenue cycle, including adjustments, refunds and accounts receivables. With a strong system in place to properly manage these points, you can increase your practice's collection rate and overall cash flow.





Know the Lingo

Production/Gross Production

The measure of work performed (although not an indication of actual production available for collections).

Production/Net Production

The measure of work performed, after all adjustments are made. Reducing the impact of adjustments increases the potential cash flow from production.

Adjustments

Money taken off production that is uncollectable. After accounting for all adjustments, net production represents the actual dollars available for collection.

Refunds and NSF Items

This includes returned checks, insurance overpayments, prepayments not utilized and unpaid patient bills. Investigate and approve all refunds to ensure they are valid. Erroneous or fraudulent refunds reduce cash flow and can signal significant problems.

Accounts Receivable (A/R)

This includes all outstanding collections owed from both the patient and the insurance. The aging accounts receivable report disaggregates the total balance into the number of days outstanding. An increase in A/R can reduce the collection percentage in one period, while a decrease in A/R can have the opposite impact on the collection percentage.

DO THIS

- › Start with the basic write-offs and add write-off categories as needed.
- › Decide what write-offs require managerial approval.
- › Review all write-offs monthly, looking for creeping trends.
- › Audit write-offs periodically to make sure they are being done correctly.
- › Use best practices for unnecessary write-offs to keep them below 5% of your total expected collections.
- › Monitor patient overpayments. Notify patients of overpayment and suggest either refunding the excess or applying it to future payments.
- › Monitor insurance overpayments. Verify the overpayment with the insurance carrier, then ask, in writing, for a refund request. Once you get it, fill it out, send the refund check and adjust the account accordingly. Never send a refund check to an insurance carrier without getting an official refund request first.

- › Waived patient copayments.
- › Incorrect contractual write-offs.
- › Unapproved write-offs.

NOT THAT





Reduce Adjustments

- Negotiate the in-network reimbursement fee with insurance plans.
- If you take Medicaid, educate yourself and your team on how to manage the patient through the entire revenue cycle.
- Educate and train your team on how to properly read EOBs and make correct adjustments.
- Update and train your team on new laws affecting covered benefits and how they affect your patients' out-of-pocket costs.
- Implement a system for establishing discounts and adjustments for patients and procedures.
- Read your insurance contract to see if write-offs or courtesy adjustments for patients on insurance plans violate your contract.

Stay Current on the Coordination of Benefits

With ever-changing insurance plans, limitations and policies, you and your team need to be clear on how coordination of benefits works for you and your patients. If your team doesn't know how to handle patients with dual insurance coverage, you could be losing a lot of revenue.





Troubleshoot Scenarios

Scenario

Your patient is the subscriber on two dental plans. Which plan is the primary plan?

Solution

The plan that has covered the patient the longest is the primary plan.

Scenario

Your patient has an insurance plan through her employer and an additional plan through her husband's employer. Which plan is the primary plan?

Solution

The plan your patient is the subscriber on is the primary plan, with the other as secondary.

Scenario

Your patient has a dental plan through her new employer and either a COBRA or retiree plan through her old employer. Which plan is the primary plan?

Solution

The plan through her current employer is the primary plan, with a COBRA or retiree plan as secondary.

Scenario

Your 7-year-old patient has coverage through both her parents' dental insurance plans. Which plan is the primary plan?

Solution

The birthday rule applies. Coverage comes through whichever parent has the earlier birthday in the calendar year.

Use These 8 Tips

When verifying benefits for patients who have dual insurance, always ask how the plans handle coordination of benefits and if there is a non-duplication clause.

.01

Only group/employer plans are required to coordinate.

.02

If a patient has dual insurance and one of the plans is not through a group/employer but is an individual plan, it does not coordinate. Be sure to warn patients thinking of buying an extra individual dental plan on top of their group/employer plan to get more coverage.

.03

When a patient has a group/employer plan and Medicaid or Medicare, the group/employer plan is always primary and Medicaid or Medicare is always secondary.

.04

Be sure to set up patients' first and last names in your software system exactly as they appear on their insurance cards.

.05

Make sure the office address is correct and matches the W-9 that the insurance carrier has on file.

.06

Ensure that the employer information is exactly as it appears on the insurance information. If a patient says Verizon, for example, but the insurance carrier says Verizon Wireless, Inc., use what the carrier uses.

.07

Double-check that all numbers are correct, including unique IDs, NPIs, drivers licenses and tax IDs.

.08

Own the Revenue Cycle

Missing even a single piece of pertinent information can cost your practice.

Best practices ensure accuracy, streamline billing and create an efficient claims process. They also dramatically decrease your team's coordination efforts.



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