ASSESSING CATASTROPHIC CLAIMS

You've received a catastrophic claim, now what?

- Bills must be reviewed for appropriate reimbursement and often multiple questions can arise. Here are things to consider before reimbursing on that large claim:

Complete Claim: Do you have everything required to assess the claim? Is there a UB92 (or CMS 1500 for MD bills)? Do you have the complete itemized bill? Do you have the operative report to assess any implants placed in the patient (Revenue Code 278) or validate operative report time billed?

Length of Stay: There are inevitable delays in a hospital. Non-emergent procedures are not done on the weekend. Operating room schedules do not permit all procedures to get accomplished when they should. However, should those days be reimbursable? It is worth looking at how long an admission lasted if these types of delays become apparent. Additionally, patients in alternative settings such as long term acute care and skilled nursing facilities can remain there despite obvious clinical plateaus. This is another area where assessing appropriate lengths of stay can make a large difference in reimbursed charges.

Level of Care Billed: No patient, even the smallest of premature babies, is discharged directly from the intensive care unit (ICU). Levels of care should decrease as patients improve and move towards discharge. This should be reflected in the billed charges for patients. If all ICU bed rates are billed, consider assessing the medical necessity of this. There are large dollar differences between bed rates at most institutions.

Drugs/Treatment Given: The diagnostic codes on the UB92 can provide a wealth of information regarding the appropriateness of therapies given in the inpatient setting. Were the chemotherapeutics given indicated for the patient's diagnosed malignancy? Was the dosage or frequency of high cost drugs acceptable for the patient's condition? Was the care provided eligible under the plan if drugs or alcohol were a contributing factor? All these things can be gleaned from ICD-9 code review of the bill and some further research.

Inflated Charges: What is the mark-up on drugs, implants, treatments, labs, x-rays, etc? A 20% PPO discount may not look so good on a claim that is 40% inflated. A quick look at over the counter drugs can give you a good idea of how inflated the claim is.

Unbundled Charges: This is easier to assess on Physician bills for surgical procedures. Tests and other services that are automatically performed as a panel, group or set, should be billed as a single service. When a provider breaks these services out of the bundled group and bills them individually, the provider is deemed to be "unbundling." Many of these charges are not eligible expenses.

Billing Errors: Are there duplicate charges? Is there price consistency on like items? Are the appropriate quantities of implants billed when compared to the operative report? If you suspect there is a billing error, there probably is and you may want to consider obtaining medical records to assess this.

Document Language: How strong is the language for reasonable and customary (UCR) exclusions? What can be carved out to reduce overall costs? How detailed is the experimental/investigational language? Assessing eligibility of the charges under the plan language should always be performed before adjudication.

Politics: Whether this is internal within your own organization or external for a client relationship, politics may factor into claim adjudication. How good is the client relationship and what are the dollars at stake?

Adjudication: Always examine all the options for adjudication prior to reimbursement. Sometimes, the PPO discount is the best course of action. However, don't automatically rule out direct negotiation and line item audit on in-network claims as this can be very successful on reviewed claims.

Remember, every claim is unique and all factors must be considered before adjudication. There is no single best course of action on claims even for the same patient from the same hospital during the same admission. Why not submit your claim for a complimentary claim screen. **www.mdstrat.com/freescreen.html**

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