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## **Electronic Claims Processing: Your Practice Survival Weapon of Choice**

By Frances Wiggins

As a practicing chiropractor suffering with the typical practice management woes, I decided to begin investigating the possibilities of implementing electronic claims processing in my own practice as early as 1990.

Being a stickler for detail, and some would say "nit-picker," this was one of my bigger "nits" of the '90s.

My primary difficulties with the entire process were not unlike those of my colleagues:

1. being a computer imbecile;
2. clueless about how to find a competent "vendor" who could satisfactorily file my claims;
3. serious reservations about releasing my patient files to some unknown company, especially some of those who could not spell or pronounce chiropractor;
4. wanting to make certain this was a cost effective investment.

Knowing it would be mandatory to convert to paperless processing by the year 2000, yet kicking and screaming about how to proceed. The prospect of having to learn computers skills was terrifying. The computer was the greatest invention of the century, but it was too bad to be learning about them at the end of the century.

Knowing very few chiropractors who were billing electronically, and dreading being a pioneer in my field, the words of Tom Peters came to mind. Pioneers, he said, were the "guys with all the arrows in their backs."

Taking the plunge, the decision was whether or not to file my own claims in my office (thus reassuring myself of the safety of my records), or to send them to a claims processing service. Not being impressed with any of the answers from any of the nearly 200 vendors I had contacted nationwide, I continued to feel

uneasy about turning my files over to any of these billing services, not unlike the gut-wrenching sensation felt by a mother leaving her infant with a new babysitter that had not given her any references.

After years of research I was able to find a company that met all my computer needs, and would like to share those findings with you and perhaps provide you with a few questions to ask your vendor (whether you currently have a billing service or are still shopping around). Granted, each office has its specialized needs, but consider the benefits of the electronic process for my practice.

### **Insurance Carrier Specifications Are Changing Rapidly**

The specifications change so rapidly that you will need to be updating software every three months to keep current. This may turn your office into a computer center. Do you have the right computer system? Do you have the right staff? Can you afford to purchase modems, to buy communication and claim software, and hire and train additional personnel?

### **Carriers Continually Change the Rules**

Physicians currently sending electronic claims directly are now being told that they must batch together 200-500 claims before transmission. For many offices, this may be several days or weeks. Having to wait defeats the purpose of "faster payment through electronic submission."

### **Many Carriers Demand 95 Percent Accuracy**

If this amount of accuracy isn't there, processing will be suspended. Can your current software guarantee this accuracy? Can your vendor give you this guarantee or will you be cut off?

You staff will have to continue to follow up on payments.

### **Electronic Processing**

Electronic processing will:

- save you 50 percent or more of what it now costs you to file claims yourself. This will give you an immediate savings. Based upon a recent study performed by the insurance industry, your cost of processing one of your paper claims is approximately \$10 per claim. Insurance carriers are thrilled with the prospect of processing your claims electronically, as they too enjoy a substantial savings, and

realize an increase in efficiency at a fraction of the cost. It stands to reason that if you save them money they are more likely to pay you more promptly, and at a higher rate.

- get you your money in two weeks, not two months; cash in the bank, not in outstanding receivables.
- get your claims transmitted with 98 percent accuracy, which means fewer suspended or rejected claims.
- keep you current with Medicare, Medicaid, workers' compensation, HMO/PPO and commercial regulations to ensure you receive more of the money you are entitled to.
- keep your cash flow constant; no more lapses during times when you're trying to retrain staff or hire additional help when your staff is on vacation.
- free your office staff to be more productive in other critical areas of patient care.

These capabilities are available to your practice now. I urge you to take them into consideration when choosing the vendor you feel is right for you. If you have any questions, do not hesitate to contact me.

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