
8. Patient Accounting

Introduction to Patient Accounting	8.1
Patient Accounting System Functions	8.2
Lesson Plan: Patient Accounting Functions Overview	8.2
Test: Patient Accounting System Functions	8.3
Answers to Test: Patient Accounting System Functions	8.4
Lesson Plan: Patient Accounting Policies and Procedures in the Residency Program's Clinical Practice	8.6
Lesson Plan: Patient Accounting Policies and Procedures in Private Practices	8.7
Lesson Plan: Store Patient Demographic Information in the Residency Program's Clinical Practice	8.8
Lesson Plan: Post Transactions in the Residency Program's Clinical Practice	8.9
Lesson Plan: Clinical Documentation and Coding Workshop	8.10
Lesson Plan: Clinical Documentation and Coding Quality Improvement Program	8.11
Lesson Plan: Setting Fees in the Residency Program's Clinical Practice	8.12
Lesson Plan: Posting Transactions for the Residency Program's Clinical Practice	8.13
Lesson Plan: Producing Patient Bills in the Residency Program's Clinical Practice	8.14
Lesson Plan: Processing Insurance Claims in the Residency Program's Clinical Practice	8.15
Lesson Plan: Processing Insurance Claims in the Residency Program's Clinical Practice	8.16
Lesson Plan: Collecting Delinquent Accounts in the Residency Program's Clinical Practice	8.17
Lesson Plan: Producing and Using Patient Accounting Reports in the Residency Program's Clinical Practice	8.18
Lesson Plan: Patient Accounting Systems in Private Practices	8.19
Patient Accounting Systems	8.20
Lesson Plan: Patient Accounting Systems Overview	8.20
Test: Patient Accounting Systems	8.21
Answers to Test: Patient Accounting Systems	8.22
Lesson Plan: The Residency Program's Patient Accounting System	8.23
Lesson Plan: Patient Accounting Systems Survey	8.24

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Sample

Introduction to Patient Accounting

Patient accounting addresses being paid for your professional services. All patient accounting systems do the following seven system functions:

1. Store patient demographic and insurance information
2. Post transactions
3. Control system operations
4. Produce patient bills
5. Process insurance claims
6. Collect delinquent accounts
7. Produce reports

Doing these functions systematically is the key to effective and efficient patient accounting. You must have fair policies and sound procedures in place, and your staff must be thoroughly trained.

These lesson plans are appropriate for residents at different stages of their training:

- ▶ Introduce coding techniques to residents early in their training.
- ▶ Present the remaining lesson plans during the last two years of training.

Invite your department's administrator, office manager, and business office staff to share their experiences. Compare these with the experiences of physicians, office managers, and business office staff of physicians in private practice. Invite a representative from your institution's patient accounting department to give a large organization's perspectives. Your residents can interview patient accounting staff in each of these settings, then return to share their observations and recommendations with their colleagues.

Patient Accounting System Functions

Patient accounting policies and procedures are the foundation upon which the seven basic patient accounting functions rest. It's important to perform these functions systematically.

The general educational goals of the patient accounting curriculum are for participants to gain proficiency in coding and obtain familiarity with how well run patient accounting systems work.

Lesson Plan: Patient Accounting Functions Overview

Educational goal

Participants will become familiar with the seven basic functions of patient accounting.

Activities

Residents read Chapter 8: Patient Accounting System Functions and participate in a lecture-discussion.

The instructor conducts a lecture-discussion on patient accounting policies and procedures and the seven basic functions:

1. Store patient demographic and insurance information
2. Post transactions
3. Control system operations
4. Produce bills
5. Process insurance claims
6. Collect delinquent accounts
7. Produce reports

The participants complete Test: Patient Accounting Functions

Hours of instruction

3:00, including reading

Scheduling guidelines

Fall of GY-2 or later

Notes

Residents should have lesson on clinical documentation requirements and coding during GY-1.

Test: Patient Accounting System Functions

1. List three areas patient accounting policies might address.

2. A patient's guarantor is

- a. The patient's next of kin
- b. The person responsible for paying the amount due from the patient
- c. The person who holds the insurance policy that covers the patient
- d. All of the above
- e. None of the above

3. True or false: Charge low fees to build your practice

4. How can physicians prevent misunderstandings about fees?

5. List three items of information required to process and insurance claim

6. True or false: Your staff should audit insurance payments to assure that you are receiving the amount to which you are entitled under the terms of your agreement with the plan.

7. True or false: Good system controls can prevent all errors.

8. True or false: Signs requesting patients to pay at the time of service are effective.

9. True or false: Physicians who participate in a health insurance plans may routinely waive patient deductible and copayment amounts.

10. True or false: Telephone calls and letters are equally effective methods for collecting unpaid amounts from patients.

11. Define collection ratio and how it is calculated

Answers to Test: Patient Accounting System Functions

1. List three areas patient accounting policies might address.
 - ▶ Setting fees
 - ▶ Extending professional courtesy, discounts, and charity care
 - ▶ Participating in health insurance plans
 - ▶ Informing patients about patient accounting policies and procedures
 - ▶ Posting transactions
 - ▶ Requesting Payment
 - ▶ Producing bills
 - ▶ Processing insurance claims
 - ▶ Collecting delinquent accounts
 - ▶ Discharging patients for nonpayment
2. A patient's guarantor is
 - b. The person responsible for paying the amount due from the patient
3. False: Charge low fees to build your practice
4. How can physicians prevent misunderstandings about fees?
 - ▶ By clearly explaining medical services and their fees, and making financial arrangements with patients. The physician or patient account representative may have this discussion with patients before or after services have been provided.
5. List three items of information required to process and insurance claim
 - ▶ Date of service
 - ▶ Patient name
 - ▶ Patient's health insurance information
 - ▶ Place of service
 - ▶ Procedure code (CPT)
 - ▶ Fee
 - ▶ Diagnosis code (ICD.9.CM)
 - ▶ Physician's name and address
 - ▶ Physician's insurance identification number
 - ▶ Whether medical problem is employment or accident related
6. True: Your staff should audit insurance payments to assure that you are receiving the amount to which you are entitled under the terms of your agreement with the plan.