



Steps in the Medical Billing Process

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There are several steps that make up the complicated task of medical billing. Medical billing involves many more people than just the biller. Receptionists, nurses, scribes, physicians, coders, and insurance companies all play a role in the process of medical billing. This process may be complicated and time consuming, but if each step along the way is completed with timeliness, accuracy, and within consistent practices, the process can flow smoothly for the benefit of the biller, the patient, the administration and physicians, and the insurance company.

The first step in the billing process is with the patient. A patient must give the information about his or her insurance plan so the medical visit can be billed. This task is typically completed by a receptionist or check-in person, who receives and makes a copy of the patient's insurance card, but the biller needs to recheck this information to ensure that all demographic information is correct on the insurance card and that there is information on where to send the bill. Also, it is a good idea to get a photo ID from the patient to match to the insurance card in order to avoid insurance fraud.

Next, the medical visit is completed. The physician or other medical professional examines the patient and determines a diagnosis, often after completing diagnostic or other procedures. A route slip, encounter form, or superbill is filled out with specific diagnosis codes and procedure codes for that specific visit. The doctor, scribe, receptionist, or coder may produce this document, and it may be on paper or submitted electronically to the biller. The biller then reviews the superbill and ensures its accuracy. At this point, electronic or book resources may be used as references if needed. There are also web forums that can be consulted for particularly problematic questions. Additionally, both procedure codes and diagnosis codes are checked for compatibility and accuracy as well as for maximum billing potential. One of the most important

steps in this entire process lies with the biller knowing when it is appropriate to bill specific procedure codes with particular diagnosis codes in order to limit errors in billing, prevent fraudulent billing, and to maximize receivables.

From there, the biller sends either an electronic bill or a paper bill to the insurance company responsible for reimbursing for the medical visit. This is the information that was taken from the patient's insurance card. The biller "won't send the full cost to the payer, but rather the amount they expect the payer to pay, as laid out in the payer's contract with the patient and the provider" (The medical, n.d.). However, some billers do send a higher amount and write off difference between the amount billed and the final amount paid. Paper bills are typically submitted on CMS 1500 forms, and electronic bills are sent via the internet portals. At this stage, the insurance company receives the bill and either pays it or rejects it. "Denied claims occur when an insurance company determines that the treatment required is not covered by the patient's benefit plan" (Medical billing, 2014, n.p.). Payment may be remitted by paper check or EFT.

The biller then receives an EOB from the payer stating what was done with the claim – how much was paid, how much was denied, how much was adjusted according to the contract the payer has with the physician or facility. The biller can then record the money in the patient's account or dispute the rejected claim or parts of the claim with the insurance payer. The biller also tracks patients' copays, coinsurance, and deductibles and sends statements accordingly.

Finally, the biller compiles reports that contain information about receivables, denials, and pending claims. The biller shares this report with billing managers, administrators, and physicians. There are benchmarked norms for denials, receivables, and other measures that need

to be met. These reports are compiled on a daily, weekly, monthly, quarterly, and annual basis as directed by the billing manager or practice administrator.

References

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