

## *Presenting the Cons of 3rd Party Reimbursement for Energy Medicine Practice*

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In the July 2014 Energy Magazine this topic was addressed from the PRO viewpoint.

I am not convinced that it is in the best interest of HT practitioners for Healing Touch to become covered by the various Insurance Companies. My limited experience is based on an eighteen-month half time job as an office manager for a Psychologist working with roughly twenty patients a week. The majority and priority of my 20-hour a week job, was medical billing. The Doctor wanted to keep billing 'in house' as an additional way of securing the privacy of client's medical information. Billing could have been outsourced; this is happening in small clinics around the country including Physical Therapy, Acupuncture, and private practice physicians. Whether outsourcing or managing medical billing in house, the requirements for professionalism are a bit more stringent than a receipt book and a double locked cabinet for your client files. Another Psychologist sees patients four days a week, needing (and wanting) one day a week for filing, billing, and business paperwork. The current practice of accepting payment at time of service requires less paperwork, less training, and is less complicated.

Each practitioner must apply to the different Insurance Companies to become a preferred provider. The clinic or location must also be approved. Contracts can be negotiated, but typically the provider agrees with the compensation the Insurance Company sets. Prices are based on location of the practice (State, city, rural), how many other similar practitioners are within a specific mileage circle around your practice geography and billing code - the more specific the code, the higher the reimbursement. Insurance providers can decide when their network is full, and close application to new practitioners. Also, for those with home-based practices, there are specific requirements by some insurance providers as to what constitutes an allowable home office setting. This may require updates to your home.

Electronic Billing is required by most Insurance Companies (including Medicare/Medicaid), based on the size of your practice. The forms are not flexible. I came to look at the forms as a phone number. When dialing - just one number off... will not get through. This is the same with the forms, one box or number not filled in correctly and there is no reimbursement. I did find that every Insurance Company representative – regardless of company wanted to help me learn from my mistakes. Computers, software, fax machines, modems, and technology support are necessary for medical billing.

Insurance providers required timely claim submission and have time limits for reimbursement that at first seem reasonable. However, when the Insurance provider has 30 to 90 days to respond to your claim, and you need to go back three months to find out what you did wrong on your end, or find the time to have a conversation with a Billing Specialist, re-submit the claim, and then wait another three months, the one year window (that I worked under) can come up quickly. As a practitioner you may wait months for reimbursement and confirmation that insurance will indeed cover this client.

**“Out or Pocket” Cash/check and credit card payments are so much simpler than 3<sup>rd</sup> party reimbursement.**

Insurance coverage seldom means 100% reimbursement to the provider. Clients will have to pay their annual deductible, office visit deductible, and co-insurance responsibility. For our Practitioners, I recommend a phone call to every new client's insurance company to confirm coverage, limits, and out of pocket requirements based on current coverage. Insurance policies cover one year, this can be annual coverage (Jan. 1 – Dec.31) or a plan year (this can start at any time of year and go 365 days). Meticulous and detailed billing records must be maintained for every client to confirm that the full amount of every session gets paid for by the correct party responsible for payment. Computer, accounting software, and technology support as well as an off site back up for billing records is highly recommended and in my opinion necessary.

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Finally, there are the ethics. Is the current way insurance pays ethical? This is a deep and probing question that is worthy of discussion. Hypothetically, lets say you charge \$100.00 a session. This is what you post on your business information, tell insurance and expect from cash clients. The contract you have signed with one insurance company requires you to discount each session by \$40.00. Insurance then pays the practitioner 50% of this allowed amount. You get paid \$30.00 from the insurance company. You can offer cash clients the \$60.00 price, but then is that ethical when you have told Insurance Providers you charge \$100.00?

In summary, **“Out or Pocket” cash/check and credit card payments are so much simpler than 3<sup>rd</sup> party reimbursement.**