

Asked to pay your unmet Deductible now? Consider this...

In recent years, it has become common practice among medical providers to request the payment of your unmet deductible or out of pocket in advance, either for appointments early in the year, or before receiving services at a facility.

1. There are several reasons:

High deductibles and out of pocket liabilities (the amounts a patient must pay before an insurer pays medical costs in full) have become prevalent as ever larger costs are shifted to individuals and employees.

Changes mandated by the ACA ("Obamacare") profoundly affect the way medicine is to be practiced. Transforming this vast, complex and well-established system into a cost-effective, result-based model creates financial disruption. Uncertainty about the future of healthcare has created major anxiety, as many medical providers feel their livelihood and existence might be in jeopardy.

Reassessments of fee schedules by Medicare and commercial insurances, the downward federal budget allocation trend, rising operating costs and payment delays due to widespread technical system implementation issues have resulted in a shortage of income for many offices. Making do with less has become a daily game, finding new revenues an endless challenge.

2. The office point of view

Every billing department knows that, early in the year, patients pay off holiday credit card bills and taxes first. As an office cannot legally and ethically refuse to treat patients with open balances, getting advance payments guarantees a minimum income during those leaner months.

Some specialties such as oncology have suffered significant reductions in reimbursements in recent years. Smaller practices in particular don't receive the bulk discounts from suppliers, extended payment deadlines or preferential insurance contract rates that larger entities enjoy. While waiting for patients to pay their balances, many must rely on lines of credit or savings to make ends meet.

Every January brings new insurance plans, changes in regulations and a significant amount of new patients, especially since the ACA implementation. The addition of staff to absorb this workload causes increased labor costs.

An important ACA requirement is the mandated use of EHR (Electronic Health Records). Monetary incentives have been offered to medical providers to purchase new systems and upgrade their software. As they are based on payments made by Medicare in previous years, these incentives were negligible for those not catering to seniors.

Costs surged too due to a major change last fall. The diagnosis-coding system was updated to a vastly expanded version; becoming fluent challenged staff and physicians and affecting all aspects of billing. For at least one year, providers and insurers must use two different systems.

3. When to say no

If you have government issued coverage (Medicare, Medicaid, Tricare), do not pay in advance! CMS, the governing administrator, has ruled that a patient may not be asked for any upfront payment before a claim has been processed and the specific liability determined.

The only exception is the set office copay for Medicare Advantage or Tricare plans, due when services are rendered.

Patients covered under a commercial plan and only scheduled for a minor office visit or service, should wait until they receive a statement, as it is unlikely they will meet their deductible. If the office cannot financially survive without that early contribution, better management might be in order.

Explain that you have already met your responsibility, or charges for other prior services are in process, to stop these demands.

4. In conclusion

If you agree to pay, ask for a cost estimate and offer a lower amount.

Always confirm the refund policy. Will any overpayment be held until applied to another open balance or be refunded? How fast would this take? Will it be automatic or will you have to ask?

When in doubt, or if you need help getting the office to back off, contact your insurance company. This behavior is frowned upon, and sometimes prohibited by contract. A phone representative will call and demand they stop.

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