

Business Dynamics Limited

The Leaders in Spine Reimbursement

www.businessdynamicslimited.com

THE SPINAL COLUMN

AAPC CEU Approved

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A Heavy Purse

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Business Dynamics Limited

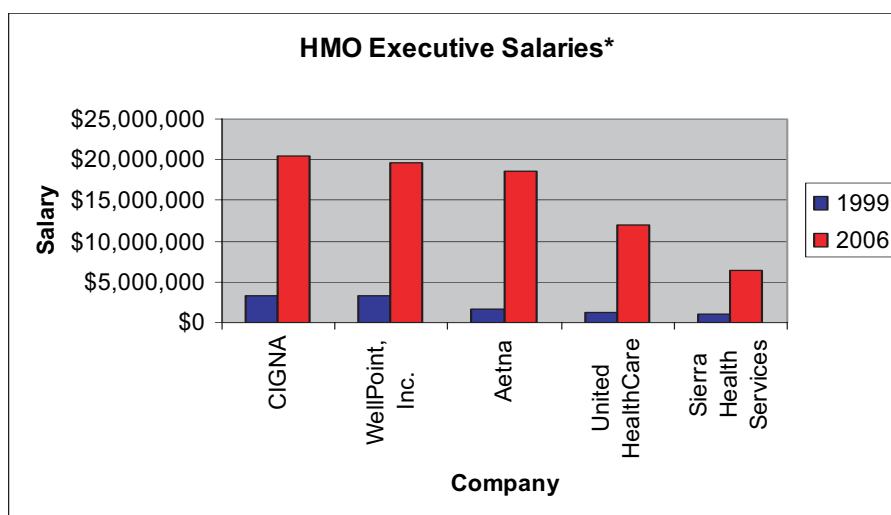
Trying to understand today's economy can be baffling for even the most seasoned of financial analysts. Home sales are plummeting, gas prices are soaring, and a daily non-fat, no-foam mocha latte is forcing people to tap into their pensions, but I digress. As the economy fluctuates, one thing that remains constant is how hard insurance companies are working to minimize the levels of reimbursement they are responsible for paying to medical professionals. This got me to thinking, perhaps the CEOs of these insurance companies are hurting from the economy as well and that is why they are forcing their companies to pinch pennies.

In the December 2007 edition of AAOS Now, there was a very intriguing cost comparison that illustrated the changing prices of various items over the years. For example, in 1997 the average cost of a house was \$176,200. In 2007, the average had risen to \$305,900 (which may explain why there are so many still on the market). Yet over those seven years, the Medicare reimbursement average for a hip replacement went from \$1,583 to \$1,136. So let's look at the salaries for a few HMO executives and see how horribly the economy has taken its toll on them.

The graph below depicts a few health insurance companies and their executive salary changes over a seven-year timeframe

from 1999-2006. As you can see, the changes are astounding, but not to the detriment of the executive. In 1999, the CEO of CIGNA was bringing in close to \$3.3 million (including salary, stock awards, bonuses and other compensation). In 2006, with that struggling economy, that number jumped to nearly \$20.4 million. United HealthCare's CEO went from \$1.3 million to more than \$12 million in that time.

What was the point of this little journey down Wall Street? Simply to reiterate how important it is for the spine specialist to fight tooth and nail for every penny he or she is entitled to for services rendered. I must admit, after reviewing the CEO compensation packages for this article I did find myself feeling a bit sorry for those executives. Why? Well just imagine what those numbers would have climbed to had the economy been better. After all, who can survive on a measly \$20 million a year nowadays?



* Includes stock awards, bonuses and other compensation.

1999 earnings information obtained from Managed Care Magazine, June 2000

2006 earnings information obtained from Health Plan Week, May 7, 2007

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Approaching the Next Level

By Tony Gaeta

In the last issue of "The Spinal Column," Barbara McBride, CEO of Business Dynamics Limited, detailed some of the challenges currently facing professionals in the medical billing and collection industry. These sentiments have been reinforced most recently in an article in the New York Times in which the New York State Attorney General's office announced that it would be investigating the "arcane procedures for calculating reasonable and customary rates" by certain insurance carriers. This article should be "required reading" for anyone in the health care industry.

Also in the last newsletter, we outlined how Business Dynamics Limited is implementing the "taking it to the next level" campaign, in order to better meet these industry challenges and stay ahead in the race. I was asked to come on board to assist in making this initiative a successful reality.

By way of introduction, my name is Tony Gaeta and I have over 25 years of experience providing exceptional customer service to a wide array of clientele. As part of "taking it to the next level," we at Business Dynamics met individually with numerous staff members for a candid discussion regarding their work day. The aim of these meetings was to identify, from a staff perspective, any areas, internal (filing, train-

Insurance Alert

Texas is a "pay and pursue" state; therefore, per Texas Law, insurance companies cannot pend a claim while investigating pre-existing information.

Insurance companies are to pay the claim, then investigate on the back end.

For more information, please contact our office.

ing, equipment) or external (electronic claim filing), that were roadblocks to advancing their caliber of work. Based on recommendations obtained from these meetings, several internal procedures were updated, and additional resources were acquired. It must be emphasized that seeking staff recommendations and input will lead to an easier acceptance of changes in processes and procedures that may be put into place. It also assists in identifying current employees who can assist in "taking it to the next level," and, conversely, those who could potentially be a hindrance. Business Dynamics encourages all organizations to be proactive in including employees in the operation and structure of your business.

Over the next several months, in order to not only keep pace with, but to remain at the forefront of changes in the industry, BDL will be reviewing all protocols and communication processes. We will be meeting with all departments on a frequent basis to ensure that short-term and long-term goals (both business and personal) are clearly defined and that realistic timeframes for completion are set. Communication within departments will be reviewed, and mutual dialogue will be encouraged, in order to be in keeping with our major theme, which is,

"OVER-COMMUNICATION."

Some of our longer-term goals are to teach advanced problem solving techniques to our employees, review all technology requirements, increase levels and breadth of training, and bring in outside expertise when needed.

Business Dynamics is committed to leading the way. We believe the aforementioned steps, both taken and planned, will allow us to maintain our pre-eminent status in the industry, as well as allow us to assist our partners and clientele in achieving their own individual visions of success.

Announcement

We are pleased to announce the marriage of our Chief Executive Officer, Barbara McBride, to long-time friend and colleague, Mauro M. Cataletto, MD. As of April 2, 2008, Barbara McBride will be known as Barbara Cataletto. Congratulations and Good Luck to the happy couple!

Announcement

This year, Business Dynamics Limited will be hosting our very first annual education Seminar. This will take place in September 2008, in the New York region. For more information, please call Kelli McBride at 516- 294-4118 ext. 1530.

OUR MISSION

To enhance the revenue of the Spine Specialist through improved collection efforts and strategies.

To restore the significant value of the highly specialized services provided by Spine Specialists through economic growth.

To expand the knowledge base of the Spine Reimbursement Specialist by providing practical education and training in the fields of spine coding and collection.

Prompt Pay Laws and Regulations by State

The following is a list of states and their prompt pay law statutes. If you have any questions please contact our office at (516) 294-4118 ext. 1530, or the state office in which you are operating. You can find the detailed law on the websites provided for each.

State	Statute/Terms of Law	State Office Contact/Website
Alaska	Clean claims must be paid within 30 working days.	(907) 465-4607 Alaska Div. of Insurance http://old-www.legis.state.ak.us/
Hawaii	Clean, paper claims must be paid in 30 days, electronic claims within 15 days. Interest accrues at 15% per annum. Commissioner may impose fines.	Hawaii Medical Association (808) 536-7702 www.state.hi.us
Idaho	Paper Claims Settled in 45 days & electronic Claims in 30 days – Chapter 56	Idaho Dept. of Insurance (208) 334-4300 http://www.doi.idaho.gov
Indiana	Paper claims must be paid in 45 day. Electronic claims must be paid in 30 days.	Indiana Dept. of Insurance (317) 232-2395 http://www.in.gov/
Iowa	Payment to be made in 30 days. Penalty is 10% per annum.	Iowa Div. of Insurance (515) 281-5523 http://www.legis.state.ia.us/
Kansas	Claims will be paid in 30 days. Interest accrues at a rate of 1% per month.	Kansas Dept. of Insurance (785) 296-7826 http://www.kslegislature.org
Kentucky	Claims must be paid or denied within 30 calendar days. Interest accrues at 12% per annum when 31-60 days late, 18% 61-90 when days late and 21% when 91+ days late.	Kentucky Dept. of Insurance (800) 595-6053 X 4303 http://www.lrc.state.ky.us/
Maine	Clean claims must be paid within 30 days. Interest accrues at 1.5% per month.	Maine Bureau of Insurance. (207) 624-8428 www.maineinsurancereg.org
Michigan	A clean claim submitted to an insurance co. with all the correct information shall be paid within 45 days. Penalty is 12% interest. The bills also hold Medicaid and HMO's to this 45 day schedule.	Michigan Dept. of Insurance (877)-999-6442 http://www.michigan.gov/
Mississippi	Clean claims must be paid within 25 days if electronic, 35 days if paper claim. Interest accrues at 1.5% per month.	Mississippi Dept. of Ins. (601) 359-3569 www.sos.state.ms.us
Montana	Clean claims must be paid within 30 days. Interest accrues at 18% per annum. Montana annotated code 33-18-232..	Montana Dept. of Insurance (406) 444-5239
Nebraska	Claims must be paid or denied with in 15 days of affirmation of liability.	Nebraska Dept. of Insurance (402) 471-0888 http://www.nol.org/
New Hampshire	Effective Jan 1, 2001 clean paper claims must be paid in 45 days, electronic in 15. 1.5% monthly interest penalty.	New Hampshire Dept. of Ins (603) 271-2261 http://gencourt.state.nh.us/
North Carolina	Claims must be paid or denied within 30 days. Annual interest penalty of 18%.	No. Carolina Dept. of Ins. – Managed Care Dept. (919) 733-2032 http://www.ncga.state.nc.us/
North Dakota	Claims must be paid within 15 days.	No. Dakota Dept. of Ins. 1-800-247-0560 www.state.nd.us/
Ohio	Payor must notify provider within 15 days of receipt if claim is materially deficient; payor must process claims in 30 days if no supporting documentation is needed. If payor requests additional information (must be done within 30 days of receipt of claim). Claim must be processed in 45 days from receipt of requested information.	Ohio Dept. of Insurance (614) 644-2658 www.ohioinsurance.gov
Oklahoma	Clean claims must be paid within 45 days. Penalty of 10% of claim as interest for late claims.	Oklahoma Dept. of Health (405) 222-4864 405-521-6624 www.lsb.state.ok.us
South Carolina	Group health insurers must pay claims in 60 days.	South Carolina Dept. of Ins. (803) 737-6165 ww.lpittr.state.sc.us
South Dakota	Electronic claims must be paid in 30 days, paper claims in 45.	So. Dakota Dept. of Ins. (605) 773-3563 http://legis.state.sd.us/
Tennessee	Clean, commercial claims sent electronically must be paid within 21 days, paper claims in 30 days. Interest accrues at 1% per month.	Tennessee Dept. of Ins. – Legal Dept. (615) 741-2199 www.tennessee.gov
Vermont	Claims must be paid or denied in 45 days. Interest penalty is 12% per annum.	Vermont Dept. of Insurance (802) 828-3301 http://www.leg.state.vt.us/
Washington	95% of the monthly volume of clean claims shall be paid in 30 days. 95% of the monthly volume of all claims shall be paid or denied within 60 days.	Washington Ins. Comm. (360) 725-7000 www.insurance.wa.gov
West Virginia	Claims must be paid in 30 days if electronic, 40 days if paper. Interest and fines may apply. Interest penalty of 10% per annum.	West Virginia Div. of Ins. (304) 558-3386
Wisconsin	If clean claims are not paid within 30 days they are subject to a penalty interest rate of 12% per year.	Wisconsin Dept. of Insurance (608) 261-8563 www.legis.state.wi.us
Wyoming	Claims must be paid within 45 days. Penalties and fines may accrue.	Wyoming Dept. of Insurance (307) 777-7401 http://legisweb.state.wy.us/

CODING UPDATE INSIDE

This publication is intended for our clients and members of the spine community, for the express purpose of providing practical and timely information to assist them in the business aspect of providing spine care services. Our goal is to inform and educate the spinal community to allow providers to increase reimbursement, enhance business efficiency, and strengthen economic growth. We welcome your comments and inquiries. We encourage your input and feedback as to how we can better serve you in your Spine practice or facility. This is an independent publication, supported by *Business Dynamics Limited*, and does not accept advertisements. Copying of the contents of this publication is permitted only with express written consent from *Business Dynamics Limited*.

About Us

Founded in 1994, *Business Dynamics* has rapidly emerged as one of the nation's leading firms in healthcare management consulting. We offer specialized services individually tailored to the spine community at regional and national levels. Our highly trained and skilled staff work diligently to support spine practices, orthopedic and neurosurgical groups, spine centers, hospitals and ASCs to achieve enhanced practice operations and maximized reimbursement.

Our Services include:

- Accounts Receivable Management
- Audits of Coding, Billing & Collections for Spine Practices and Facilities
- Financial Office Assessments & Policy Development
- Coding Services
- Access to our Spine Specialized Website
- Appeal Reviews and Management
- Contract Analysis