



It was an action packed year in the healthcare industry. 2014 promises to be just as exciting. Everyone at CDA wishes you a Healthy and Happy New Year!!

### **Collection Tip of the Month**

At one time in America, there was no such thing as "health insurance." Patients negotiated directly with hospitals and doctors and paid what they could often on a sliding scale according to ability. Eventually, health insurance entered the market easing the burden of healthcare costs.

It didn't take long to realize the ordinary rules of supply and demand would not apply if the insurance company, not the patient, was responsible for the bill. Co-payments, deductibles, and coinsurance developed as a check against overutilization. If the patient had some "skin" in the game, this would provide some disincentive, though

Not absolute, but some hedge against over-use. This protective requirement, though necessary, is at times at odds with AMA Code of Ethics Opinion 8.03, which holds: "The primary objective of the medical profession is to render service to humanity; reward or financial gain is a subordinate consideration."

In the current economy as available dollars are becoming scarce, insurance carriers have begun checking up on the collection of co-payments, deductibles, and coinsurance. With greater regularity, physicians and hospitals are receiving letters requesting proof, in perhaps five randomly selected cases, that the provider has collected, or sufficiently attempted to collect the portion of fees which is the patient's responsibility. This comes as a shock to many providers, who in keeping with Opinion 8.03, and the historical tradition of sliding scales, based upon ability to pay, have subordinated financial ability to pay in favor of the higher duty to care for the patient's need.

It is important to understand, however, forgiveness of co-payments could land you in hot water. Therefore, doctors must understand the rules regarding waiver of co-payments. AMA Opinion 6.12 addresses the ethical considerations:



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#### Opinion 6.12 - Forgiveness or Waiver of Insurance Co-payments:

Under the terms of many health insurance policies or programs, patients are made more conscious of the cost of their medical care through co-payments. By imposing co-payments for office visits and other medical services, insurers hope to discourage unnecessary healthcare. In some cases, financial hardship may deter patients from seeking necessary care if they would be responsible for a co-payment for the care. Physicians commonly forgive or waive co-payments to facilitate patient access to needed medical care. When a co-payment is a barrier to needed care because of financial hardship, physicians should forgive or waive the co-payment.

A number of clinics have advertised their willingness to provide detailed medical evaluations and accept the insurer's payment but waive the co-payment for all patients. Physicians should be aware that forgiveness or waiver of co-payments may violate the policies of some insurers, both public and private; other insurers may permit forgiveness or waiver if they are aware of the reasons for the forgiveness or waiver. Routine forgiveness or waiver of co-payments may constitute fraud under state and federal law. Physicians should ensure that their policies on co-payments are consistent with applicable law and with the requirements of their agreements with insurers.

Where the insurance contract requires a doctor to make reasonable attempts to collect the patient's portion, an open question surrounds the definition of "reasonable attempts to collect the debt." Historically, doctors could satisfy the requirement by sending at least three letters attempting to collect the debt. However, the Office of Inspector General (OIG) has taken the position that the routine waiver of co-payments could constitute a criminal kickback in Medicare cases.

This has emboldened private insurers, who are relying upon this contractual provision as a basis for a post-payment re-couplement audit. If a provider cannot demonstrate efforts to collect from the patient, the carrier may demand a refund for any benefits paid across a large patient population.

Providers should be aware of this new emphasis upon patient responsibility. My advice would be to proactively get ahead of the problem. Contact your insurance representative to find out what is expected of you and document the response. By all means, if you are a physician and you receive a letter from an insurance carrier requesting proof of attempts to collect, do not ignore it. A failure to cooperate could constitute grounds for termination of the contract with the payer.

Because this emphasis upon collection of co-payments is a fairly recent phenomenon, even if you have been deficient in the past, you may be able to satisfy the carrier by demonstrating a corrective plan of action going forward.



### Associate Spotlight

On December 13th we held our annual Christmas Party. This year we had an ugly sweater contest. 9 of our associates participated. Seated from L-R: Kristy Chaney, Nicki Renner, Sherry Piesker, and Chris Barneec. Standing from L-R: Pete Mata, Toni Oberholtzer, Noell Barneec, Valerie Noble, and Misty Alexander (the winner).

### How Can I Earn CEU's By Attending a CDA Seminar?

Many of you belong to various professional medical office management associations and are looking for industry professionals to conduct a seminar at your local or state meetings. CDA is now offering a free

seminar called "9 Red Hot Ingredients to Fire Up you're A/R Collections in Just 30 Minutes a Week?" for your medical or office managers association. We just conducted the seminar for the American Association of Professional Coders and they received 1.5 CEU's towards their professional certification for attending. Also, we were approved by the American Academy of Medical Administrators are allowing their members 1.5 CEU's for attending a live seminar or webinar.

You can view a short video on the seminar by going to <https://www.cdac.biz/spiceitup>

If you are interested in learning more about how you can bring our seminar to your association, please call Dave or Tony.

## **Thank You For Your Trust!!**

We are looking to help more clients like you. The greatest form of flattery is when one of our clients refers us to one of their colleagues. If you know someone that can benefit from our services, let us know and we will be glad to follow up.

## **Chef Dave's Kitchen**

### **Post Holiday Comfort Pasta**

"The Best 30 Minute Pasta You Will Ever Make"

#### **Ingredients:**

1 LB of Italian Sausage (mild or hot)  
1 Jar (28 oz) Quality Marinara Sauce  
1 Onion  
Garlic  
1/4 Cup Red Wine  
1/3 Cup Brown Sugar  
1 Cup Heavy Cream  
1 Cup Grated Romano Cheese (or Parmesan)  
1/3 Stick of Butter  
1 Lb Cooked Rotini Pasta

Brown Italian sausage with onion and garlic. Add marinara sauce, red wine, and brown sugar. Salt and pepper to taste. Bring to a simmer.  
Add heavy cream, Romano cheese, and butter. Heat back to a simmer. Combine with the cooked Rotini. Enjoy with a salad and garlic bread.

All the best,

Tony Muscato, VP of Sales

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