

Unpaid Claims — What to Do about Them

A common problem in dealing with managed care organizations (MCOs) is that frequently there are delays in payment for services. Yet there are steps to take to increase your chances of getting paid promptly.

1. Review your contract. What—if anything—does it say about the MCO's obligations to pay and when?
2. Ask questions, and control your temper—the person on the phone is not the problem, but may possibly be your avenue to a solution. Some delays really are administrative errors that can be easily corrected. Then move up the chain: ask to speak to the supervisor, the Benefits Supervisor, etc. Keep a record of every person you speak to (first and last name—"Suzie" is not sufficient), date of contact, and what you were told. Send a formal written complaint to the company's director of provider relations, medical director, and/or its CEO.
3. Call the APA. If you get nowhere with the MCO, call the APA Managed Care Help Line (800-343-4671). Staff will document your case for the computer database and ask for relevant information, e.g., a letter summarizing what has occurred, steps you took, responses you received. Staff or the Managed Care Committee will contact the company on your behalf.
4. Make noise! Develop a paper trail. Write to the company and send a copy of your correspondence to any or all on the following list. But first, be aware of who the key players are in your state and whose support you can count on.

State Insurance Commissioner. Some commissioners are actively involved in taking complaints about fraudulent insurance practices from both physicians and consumers; others (e.g., North Carolina, California, Massachusetts) may take complaints only from consumers. If the commissioner's office can't help you, find out who will. There may be an ombudsman in your state insurance office or you may wind up finding help from the state's department of health or department of labor. A useful resource, "A Consumer Guide to Handling Disputes with Your Employer or Private Health Plan, 2005 Update," published by the Kaiser Family Foundation, is available online at <http://kff.org/health-costs/report/a-consumer-guide-to-handling-disputes-with-your-employer-or-private-health-plan/>. Section 5, "State-by-State External Review Programs," lists contact information.

Attorney General. Copy the attorney general's office in your state. If your attorney general is especially active on healthcare issues, such as in New York and Texas, write him or her directly.

APA District Branch/State Association. Your District Branch/State Association (DB/SA) can be an important source of information on MCO activity in your area, and the legislative representative will be able to tell you the status of recent legislation.

American Medical Association (AMA). The AMA is collecting written reports of problems their members are encountering, and one of their targeted issues is reimbursement. Send a summary of the problem with supporting documentation to: Division of Representation, AMA, 515 North State Street, Chicago, IL 60610.

Consumer Advocacy Groups. Patients can register complaints with the local chapters of the National Mental Health Association (call 1-800-969-NMHA for local phone numbers) and the National Alliance for the Mentally Ill (call NAMI's Helpline at 1-800-950-NAMI for local phone numbers of chapters and affiliates).

Media. Many local television stations in large cities have a consumer advocacy segment, and the media have been particularly sensitive during the past year to healthcare issues, especially when they concern the mentally ill.

Congressional Representatives. A sympathetic congressman or senator can be very effective on your behalf.

5. Stay informed. Information is power. The APA's "Member2Member" listserv is an excellent way to find out how your colleagues have handled these problems. If you wish to join, send an e-mail to Webmaster@psych.org with the following information: name, member ID number, city, state. Also, ask APA staff for relevant materials to support your position.
6. Keep your patient or a responsible family member informed. Your patient should inform his or her employer's Human Resources Department. The MCOs are under contract to employers to deliver medical services, and employers review these contracts periodically. If enough employees are dissatisfied, the employers may select another plan or advise the MCO to "fix" the problem.
7. Go to Small Claims Court. This is a last resort, but APA members have done this and won.

How to Avoid Unpaid Bills

There are some steps you can take to try to avoid unpaid bills in the first place.

- Learn as much as you can about the MCO before signing up: What is their financial status? What is their reputation for paying bills? How stable is their contract with the employer? Know your local market. Is the company under pressure to compete?
- Bill promptly. Be aware that your contract may require early billing. All these factors affect how MCOs may choose to pay their bills. If an MCO goes bankrupt—and they do!—your only recourse may be to hire a lawyer and go to court.
- Submit "clean" bills.

- Consider changing to electronic claims submission. Generally these claims are paid more quickly, and many insurers are encouraging them and will help you get set up.
- Track your bills. Don't let months go by before noticing an unpaid bill. This only compounds the delay.
- In general, develop effective collection procedures. Don't let your copayments build up; under managed care your co-pays may be 20%-50% of your income. If a patient's balance gets too high, you may never see that patient again.

Conclusion

During a time when there aren't many rules, psychiatrists will have to be active—as well as diligent and imaginative!—to make sure that their services are paid. Unpaid bills are certainly frustrating to APA members and potentially threatening financially to practices, but most important, payment delays could interfere with the therapeutic process. It will "pay" to be vigilant on these matters.

If you have further questions, please call the APA Practice Management HelpLine at (800) 343-4671 or write to:

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