

Best Practices for Early Adoption of Treatments

With so many new drugs on the market, there are some challenges to getting reimbursement. Practices may not be early adopters of these drugs as there may be initial claim denials if not billed appropriately. Claims submitted electronically without the required information often create the denial which in turn adds additional administrative costs on the practice and increases days in AR. In addition, reimbursement may be less than your cost if you are unaware of your contracts and bill incorrectly, placing additional risk on the practice.

Many payers have recognized the challenges, yet there continues to be delays in reimbursements.

While new cancer treatments have lowered mortality rates (*since 2011, treatments have targeted 22 kinds of cancer*), practices may be hesitant to place their patients on treatments.

To minimize the risk to the practice, it is recommended to:

- Educate both clinical staff on effectiveness of treatments, but also the billing associates to understand the treatment and be an educated liaison between practice and payer.
- Educate the top payers before the drug hits the market, so they understand the benefits.
- Create retrospective reports on the payers the practice has the largest percentage of claim denials to begin the education process.
- Understand contracts and how the practice will be paid. Typically, early adopters are paid on a WAC pricing (+3 for Medicare) instead of six months later, practices being paid at a lower cost because of sequestration (AWP +6 – sequestration). Many national payers will also pay a percentage of billed charges before the drug is assigned an ASP – providing an opportunity to maximize reimbursement.
- Investigate manufacturer programs that provide reimbursements on denials.

Practices must also look for the easiest implantation of the treatment – finding the patients with the greatest need, often choosing Medicare patients to minimize issues with commercial payers. Practices do not need to start with every patient and every new drug but should concentrate on those payers that provide the least amount of risk.

Our Business Optimization Consultants can assist your practice with maintaining tight control over reimbursements. For more information, email us at consulting@iononline.com.

*The information was taken from a webinar **Best Practice Billing NOC and Unspecified Codes** in November 2018. Additional content on Billing NOC, Unspecified and Miscellaneous Codes will appear in a future newsletter.*