

# How to Choose Your DME billing Company



*The DME Specialists*



With an aging population and three million baby boomers becoming eligible for Medicare coverage over the next ten years, the demand for durable medical equipment is increasing. Medicare, Medicaid and most insurance companies will provide coverage for the insured and reimburse providers who dispense durable medical equipment. In order to be a successful durable medical equipment supplier, you must know what durable medical equipment is and how to choose a company to help you manage your accounts receivables and collect the maximum reimbursement allowable.

### **WHAT IS DURABLE MEDICAL EQUIPMENT (DME)?**

1. Equipment that can withstand repeated use
2. Is primarily and customarily used to serve a medical purpose
3. Generally not useful to a person in the absence of illness or injury
4. Is appropriate for use in the home

[www.cms.hhs.gov](http://www.cms.hhs.gov)

There are rules and guidelines that apply to billing insurance companies for DME/HME, including Medicare and Medicaid, which do not apply to other services or prescriptions. There are many home medical and durable medical equipment stores that specialize in medical equipment but because of the broad range of items covered, a pharmacy may also carry many types of equipment.

### **WHAT MAKES DME SO SPECIAL?**

DME has the highest possibility of fraudulent billing than almost any other category of medical billing (NICB, 2005). It is of the utmost importance that a supplier goes to the lengths necessary to protect him or herself from being guilty of fraud. Sometimes mistakes are made during billing that can be corrected when necessary. If Medicare chooses your

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store for an audit, they will review a sampling of the patient population to determine if a pattern exists in incorrect billing. Why run the risk? Why not let DME specialists handle your billing?

### **HOW COMPLICATED IS BILLING DME?**

When dealing with medical equipment, there are many variables that must be taken into consideration to receive prompt reimbursement. Often the little variables can be missed if the claims are not evaluated by durable medical equipment (DME) specialists. Unlike prescriptions, DME must have its own set of files that include the proper documentation to support the equipment. The files are to be kept separate from the pharmacy files and made available to CMS auditors during survey or accreditation. The paperwork can sometimes be overwhelming for an inexperienced DME manager.

The paperwork, the medical necessity requirements and the inexperienced medical biller can cost a pharmacist thousands of dollars a year in lost revenue. Many times, claims are denied and the pharmacist does not have the experienced staff necessary to appeal or research the cause for denials and the monies become unrecoverable.

### ***WHAT DO I LOOK FOR IN A BILLING COMPANY?***

When choosing a billing vendor, it is important to review the reputation of the company. Ask for references close to the size and volume of your store. Discuss the entire claim process with the billing customers. There is no better way to get to know the business practices of a company than to talk with its customers. The customers will tell the good, the bad, and the ugly about customer service, reimbursement rates, and yes – the dreaded denials.

### ***REVIEW THE WEB SITE FOR A LISTING OF SERVICES OFFERED.***

Any forward – thinking progressive company has a professional web site. The web site should be easy to navigate and should be able to provide you not only with information about the company, but with useful links that will aide you in understanding the ever-changing world of Medicare and DME claims filing.

The web site should list the services that the company offers. Make sure that claim denial management for all insurance companies is not a separate service, but included in the cost of the basic service. A reputable organization will not charge a percentage of what is collected. They will offer a flat rate per claim fee. You want to ensure that the company is performing a clean claim review to increase your chances of receiving reimbursement on time and reducing the number of denied claims.

When reviewing the web site, you also want to look for anything that says they use your existing pharmacy system to process your claims. DME/HME is not processed through a prescription plan and therefore does not get transmitted to the same place your prescription claims do. Make sure they use a software that can collect your data and send directly to the jurisdictional MAC for processing.

### ***BEWARE OF “REAL TIME PROCESSING”***

This can be a misleading phrase. No insurance company processes a claim in real-time. What is actually meant by this statement is that the claims when received by the third party switch are prepared for submission when the third party switch receives them. No one can offer you online adjudication for your DME claims. Medicare has a self-imposed fourteen day window where it does not release payment for DME claims. If there is nothing wrong with the claim and it meets all pre-determined criteria, then Medicare can release payment on the 14<sup>th</sup> day. By Medicare’s own claims processing manual, they can take up to 30 days to release payment on a clean claim.

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To optimize revenue, make sure you choose a full service billing company to manage your DME department. Make sure the company specializes in durable medical equipment billing. Make certain your selection will manage your claims processing through to final payment. While most secondary claims crossover from Medicare to the secondary payer, not all do. Ensure when you make your selection of a billing company that the organization automatically submits secondary claims that do not

crossover. You will increase your reimbursement, improve your bottom line and supply DME with confidence to your patients when you choose a DME specialist.

### ***TO SWITCH OR NOT TO SWITCH...***

Pharmacists are in a unique position since some of the medications they dispense are also considered durable medical equipment (DME). A pharmacist is accustomed to entering his or her prescriptions into the pharmacy management system and receiving online adjudication with Medicare or Medicaid. Unfortunately, most pharmacists do not realize that their DME claims do not go through online adjudication when they enter them into the pharmacy management system.

There are companies that call themselves “third party claim switching companies.” In the medical billing industry, they are known as “Switches.” They are called claim switching companies because the DME claims that are sent online through the pharmacy management system must be “switched” into a DME claim to go to Medicare Part B or to Medicaid. A good analogy is a train running on train tracks. The conductor must throw a switch to allow the train to change tracks at certain points in the line. The same is true for a third party claims switching company. Why?

DME claims are not processed through a prescription plan. They must be submitted to a health plan (major medical) and reimbursed using the insured’s medical benefits. For “switching” companies that means that if it is not Medicare or Medicaid, they cannot submit to the non-Medicare or Medicaid insurance company. Why? More times than not, it is because the pharmacist has not gathered the insurance necessary. He or she only has the prescription plan information. Furthermore, if a Medicare beneficiary has not disclosed his or her secondary insurance company then the secondary claim does not crossover automatically. It is left up to the pharmacist to send the claim to the secondary insurance company or pay the switching company an additional monthly subscription fee to manage the secondary claims submissions. Many times a pharmacist will have thousands of dollars of outstanding secondary claims that could have been collected but weren’t because the claim did not crossover to the secondary insurer.

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### ***IN CONCLUSION***

*You will increase your reimbursement; improve your bottom line...if you choose a DME Specialist.*

Durable medical equipment billing can be a complicated business. It is important to choose a billing company wisely. Ask questions about the company’s services – and get references. There is no better way to gather information than to talk to those that are involved with the company. The clients you talk with should be of similar size and volume to that

of your store. Talk with them about their experiences, including; collection rates, phone availability, and overall customer service.

In fact, customer service should be a deciding factor. A company with excellent customer service makes a great partner. A switch can be a disadvantage when taking into consideration secondary claims crossover and submissions. A switch may not include denial management in its basic services package and a supplier could run the risk of losing thousands of dollars a year. A full – service billing company increases your opportunity to collect on time – every time – regardless of primary, secondary, or tertiary status. It is important that a billing company employ DME specialists that have the knowledge and expertise to partner in helping you expand your DME department and produce results for your bottom line.

### ***About Billing Management Services***

Our staff is specially trained in DME/HME and consists of data entry specialists, specialized DME Consultants, and Certified Billing Specialists. Our CEO has nearly 20 years of experience in the health care industry and holds a Master's degree in healthcare administration and a Master's in Business Administration. So our CEO is aware of what it takes for our clients to be successful in DME/HME and leaders in their communities and competition. The combined experience and specialized staff sets BMS apart as a leader in our industry.

#### **Our Mission**

BMS is dedicated to providing our clients with the highest quality of customer service and accounts receivables management in the DME/HME and home health industries. Our mission is to ensure our clients receive the highest rate of reimbursement on each claim as possible, reduce errors and denials, and provide our clients with the opportunity to focus on patient and customer care.

#### **Our Vision**

We will provide outstanding customer service that allows us to provide high quality claims billing services. We want to change the face of health care through setting standards in our industry that our competitors and health care in general must meet. We will enable our clients to grow in their knowledge base through ongoing training and education in our field of expertise. We will be the number one claims billing service in DME/HME and home health.

#### **Our Values**

At BMS, we value certain qualities in our employees and in our clients: Honesty, Integrity, Character, Leadership, Accountability, and Commitment.

- Our Clients will come first. We will deliver quality customer service that goes above and beyond the call of duty.
- Our Growth will come through earning our clients' trust and in the innovative way we impact our industry.
- Our Employees will work to continuously improve ourselves, our service, and our product training.
- Our employees will be committed to our future and to the future of our clients.
- Our Employees will function with the highest levels of integrity, character, honesty, and leadership so our customers will always know they are in hands committed to their success.



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