

ASSIGNMENT SHEET

CHAPTER 8: COLLECTING FEES

Unit 1: Paying for Medical Services

WORDS TO KNOW CHALLENGE

A. Word Puzzle: For each word listed below, provide another word that has the same or similar meaning to fill in the blank spaces.

- | | |
|-----------------------|----------|
| 1. <u>Complicated</u> | 1. _____ |
| 2. <u>Poor</u> | 2. _____ |
| 3. <u>Inexpensive</u> | 3. _____ |
| 4. <u>Succeeding</u> | 4. _____ |
| 5. <u>Confirm</u> | 5. _____ |

B. Word Search: Find the following words hidden in the puzzle.

- | | | |
|-------------|------------|-------------|
| CARDS | DISCLOSE | ADVANCE |
| INSTALLMENT | PAYMENT | ACT |
| CHARGES | TRUTH | CREDIT |
| FINANCING | ESTIMATE | SOLICIT |
| ETHICS | DELINQUENT | SUBSTANTIAL |
| COSTS | | |

I A D V A N C E A C T
A D D I S C L O S E H
D E L I N Q U E N T C
V C L O E T H I C S O
T R U T H C A R D S
I N S T A L L M E N T
C P A Y M E N T D E S
I A F I N A N C I N G
L T E S T I M A T E F
O I N C H A R G E S A
S U B S T A N T I A L

UNIT REVIEW

A. Short Answers

1. What are the factors to consider in determining fees for patient care? _____

2. When insurance companies and government agencies establish a fee profile for physicians, how does it affect payment for patients? _____

3. Explain what you should do if an indigent patient wants an appointment in your facility and your physician cannot accept another indigent patient at this time. _____

4. List the information that should be obtained on the personal data sheet of each patient.

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____
- f. _____
- g. _____
- h. _____
- i. _____
- j. _____

5. Explain when you should discuss payment planning and health insurance coverage with patients and give examples. _____

6. What is specified in the Truth in Lending Act? _____

7. How are physicians required under the AMA Code of Ethics to allow patients to use credit cards for services?

8. Why are credit card payments advantageous if there is a 1 percent to 3 percent assessment charged to the physician? _____

9. What is the purpose of the Bureau of Medical Economics? _____

10. If a request is received from a credit bureau regarding a patient, what information are you to disclose in your answer? _____

B. True or False: Place a "T" for true or "F" for false in the space provided. For false statements, explain why they are false.

- _____ 1. Physicians discuss fees with patients.

- _____ 2. Insurance companies and government agencies establish a fee profile for physicians based on charges averaged over a period of time.

- _____ 3. Physicians should never be told when a patient is unhappy with the cost of treatment.

- _____ 4. Indigent patients should receive the same care as paying patients.

- _____ 5. Two copies of the reduced-fee agreement, with the words "without prejudice" stated, should be witnessed as they are signed for those with limited income.

- _____ 6. Each time a patient arrives for an appointment, you should verify his or her personal data sheet information.

- _____ 7. The personal data sheet should ask for additional insurance coverage.

- _____ 8. It is not necessary for the records release form to have a witness sign it.

- _____ 9. On the third-party liability statement, the name of the patient and the name of the responsible party are always one and the same person.

- _____ 10. A cost estimate sheet for surgery should include cost of the surgery and the approximate cost of the anesthesia, consultants, and hospital costs.

- _____ 11. The Truth in Lending Act is enforced by the International Trade Commission.

- _____ 12. Physicians may increase charges for services to patients who wish to use credit cards for medical services.

- _____ 13. It is not only lawful but good practice to disclose information to referring offices regarding paying habits of patients.

- _____ 14. The Truth in Lending form must be signed by the patient in your presence.

CASE STUDIES

Scenario 1

Mr. Lewis calls the office to complain about his bill for a consultation he had with the physician. He is outraged that he was charged \$150.00 for a half-hour appointment, when all the doctor did was talk to him and ask some questions.

Critical Thinking Questions

1. What explanation could be given to the patient? _____

2. What should have been done ahead of time to eliminate a later problem with the charges? _____

3. Who in the office should handle this problem? _____

Scenario 2

Ms. Markley needs to have a minor surgical procedure performed at an outpatient center. She has no insurance coverage and does not know how she will pay the physician's fee.

Critical Thinking Questions

1. What is the medical assistant's role in this situation? _____

2. What options are available for this patient? _____

3. What must the physician do if he agrees to accept installment payments? _____

UNIT APPLICATION

Research Activities

1. Visit several physicians' offices, clinics, or outpatient surgery centers and collect different examples of patient data sheets. Highlight the different types of information found on each and compare them to the list found in this unit.
2. Prepare a surgery cost estimate and information sheet similar to the one found in this unit. Research fees with insurance companies, surgeons, hospitals, and on the Internet to collect the information needed to complete the form.

CERTIFICATION AND REGISTRATION PREPARATION

- _____ 1. Assisting patients with a plan for payment of costly medical expenses is the responsibility of the
 a. physician c. medical assistant
 b. interpreter d. physician assistant
- _____ 2. How long must the (signed) Truth in Lending form be kept on file?
 a. Two years c. Ten years
 b. Six years d. Indefinitely
- _____ 3. Patients should be reminded to check with their _____ for the amount that they are responsible for (co-pay) if their insurance does not pay the total cost.
 a. bank c. insurance company
 b. financial planner d. loan company
- _____ 4. In large cities it is wise to check _____ before extending credit for a large medical expense.
 a. marital status c. credit references
 b. medical history d. insurance
- _____ 5. It is a violation of the law if you disclose _____ in requests from creditors regarding patients.
 a. opening date of account c. character of patient
 b. closing date of account d. largest amount of account
- _____ 6. Completed annually, this form provides a "signature on file" for your records.
 a. Personal/patient data sheet c. Medication list
 b. Medical history form d. Charges statement
- _____ 7. Fees should be discussed with patients
 a. in the reception area c. in a private area
 b. in the exam room d. in groups
- _____ 8. At each office visit you should ask patients for their insurance card so that you can
 a. read it c. release information
 b. copy it d. check their birth date
- _____ 9. If a third party is responsible for a patient's charges, that person should sign a(n)
 a. liability statement c. records release form
 b. data sheet d. estimate form
- _____ 10. You should obtain a release of information form
 a. as needed c. at the first visit
 b. when patients are moving d. at each visit



ASSIGNMENT SHEET**CHAPTER 8: COLLECTING FEES****Unit 2: Bookkeeping Procedures****WORDS TO KNOW CHALLENGE****A. Matching: Match the term in column I with its description in column II.**

COLUMN I	COLUMN II
_____ 1. Journalizing	a. A charge added to the existing balance
_____ 2. Trial balance	b. Transferring of information from one record to another
_____ 3. Daily journal	c. Professional courtesy discounts
_____ 4. Ledgers	d. A payment subtracted from the existing balance
_____ 5. Bookkeeper	e. Difference between debit and credit
_____ 6. Posted	f. All of the outstanding accounts (amounts owed)
_____ 7. Assets	g. Legally declared unable to pay debts
_____ 8. Bankrupt	h. One who records the accounts and transactions of a business
_____ 9. Petition	i. Anything owned that has exchange value
_____ 10. Debit	j. Sheet containing all patient charges and receipts for that day
_____ 11. Credit	k. Entering in the daily log
_____ 12. Accounts receivable	l. The principal account book containing the credits and debits
_____ 13. Posting	m. A written plea in which specific court action is sought
_____ 14. Adjustment	n. Information has been transferred from one record to another
_____ 15. Balance	o. Bookkeeping strategy to confirm accuracy in debits and credits ledger

B. Word Scramble: Unscramble the following terms

- | | |
|----------|---|
| 1. _____ | <u>D</u> <u>E</u> <u>E</u> <u>L</u> <u>G</u> <u>R</u> <u>S</u> |
| 2. _____ | <u>S</u> <u>T</u> <u>A</u> <u>S</u> <u>E</u> <u>S</u> |
| 3. _____ | <u>K</u> <u>E</u> <u>B</u> <u>O</u> <u>E</u> <u>P</u> <u>R</u> <u>E</u> <u>O</u> <u>K</u> |
| 4. _____ | <u>T</u> <u>N</u> <u>P</u> <u>E</u> <u>I</u> <u>I</u> <u>T</u> <u>O</u> |
| 5. _____ | <u>D</u> <u>S</u> <u>T</u> <u>P</u> <u>E</u> <u>O</u> |
| 6. _____ | <u>I</u> <u>R</u> <u>T</u> <u>A</u> <u>L</u> <u>A</u> <u>L</u> <u>B</u> <u>A</u> <u>N</u> <u>E</u> <u>C</u> |
| 7. _____ | <u>P</u> <u>A</u> <u>B</u> <u>N</u> <u>Y</u> <u>C</u> <u>R</u> <u>K</u> <u>U</u> <u>T</u> |
| 8. _____ | <u>I</u> <u>O</u> <u>R</u> <u>G</u> <u>J</u> <u>I</u> <u>N</u> <u>U</u> <u>Z</u> <u>A</u> <u>L</u> <u>N</u> |

UNIT REVIEW

A. Matching: Match the term in column I with its description in column II.

COLUMN I	COLUMN II
_____ 1. Posted	a. Owner-manager of a business
_____ 2. Trial balance	b. Formal written application seeking specific judicial action
_____ 3. Cash payment	c. Legal petition to the courts if one is unable to pay creditors
_____ 4. Petition	d. One who records transactions/accounts of a business
_____ 5. Proprietorship	e. To record bookkeeping transactions in a journal
_____ 6. Bankruptcy	f. Total owed/record of accounts receivable
_____ 7. Bookkeeper	g. Information transferred from one record to another
_____ 8. Journalizing	h. Write-it-once bookkeeping system
	i. Must be given a receipt

B. Short Answer

1. Use half sheets of paper and type the invoice shown in Figure 8-7 in the textbook. Type itemized statements from the five families who still owe money. _____

2. Describe the exceptions to the usual billing procedures. _____

3. Describe the advantages of a write-it-once bookkeeping system. _____

C. Fill in the blanks

1. Adjustments are _____ discounts, _____, or amounts not paid by _____.
2. The medical assistant will record the charges for each patient on the _____.
3. Patients are more likely to pay if statements are received on a(n) _____.
4. Many offices choose to print and process statements through a(n) _____.
5. Entries on a daily log are referred to as _____.
6. The peg board system is referred to as the _____ system.
7. A(n) _____ balance reflects that the amount paid is less than the total due.
8. A(n) _____ balance is written in red ink, circled, or noted in parentheses.

CASE STUDIES**Scenario 1**

Amber, the billing person at Brookhaven Clinic, is responsible for all patient billing and bookkeeping. She has gotten behind on her daily posting and is having trouble catching up. Her totals are not balancing for accounts receivable and she is very frustrated.

Critical Thinking Questions

1. When should posting be done? _____

2. In which order should the entries be placed? _____

3. What could be the possible outcome of sloppy bookkeeping practices? _____
the practice. _____

Scenario 2

Mr. Dale was hurt on the job and is receiving treatment at your clinic. The bookkeeper keeps sending him bills for the treatments and he is very angry about the situation. He has no insurance and cannot pay the bill himself.

Critical Thinking Questions

1. To whom should the bills be sent? _____

2. What possible explanation can you give for Mr. Dale receiving the bills? _____

3. What type of billing is this considered to be? _____

UNIT APPLICATION**Performance Objective Practice**

- A. 1. Use the following information to fill in a daily log for each of the three days indicated. Be careful to calculate charges when more than one is listed and put only the total in the charge column. Be sure to itemize in column listing description. Be careful to list payments in the payment column and break down each in either the cash or check payment column.

December 27, XX_____

Juan Gomez—paid \$17.00 ck

Sue Schmidt—O.C. limited \$27.00; Inj. B 12 \$15.00

Susan Segal—O.C. New intermediate \$48.00

Sue Schmidt—paid \$62.00 ck

Carol Sue Kostrevski—O.C. Comprehensive \$70.00; paid \$50.00 cash

LaChar Holley—(NP) Comprehensive \$85.00

January 5, XX____

Geoff Segal—paid \$48.00 cash for Susan
Juan Gomez—Extended exam \$46.00
June Kostrevski—Allergy testing \$100.00
Carol Sue Kostrevski—Inj. Penicillin \$12.00
Joan Moriarty—O.C. Intermediate \$30.00; x-ray left knee \$76.00; paid \$50.00 ck
Carol Schmidt—O.C. Extended \$46.00
Boris Kostrevski—Paid \$150.00 ck

January 8, XX____

Boris Kostrevski—CPE comprehensive New \$85.00; chest X-ray \$79.00;
ECG \$50.00; Lab Physical Profile \$113.00;
Draw blood \$5.00; Urinalysis \$10.00
Patrick Moriarty—O.C. Intermediate \$30.00; paid \$38.00 ck
Tina Schmidt—cast removal \$35.00
Juan Gomez- O.C. Limited \$27.00
Geoff Segal—N.C.
June Kostrevski—Ck. Aetna Ins. \$100.00
LaChar Holley—Hospital 12/29 thru 1/6
Initial visit \$85.00
6 days at \$25.00
Total charges \$235.00
Boris Kostrevski—Medicare pd. ck \$40.00
Juan Gomez—Medical pd. ck \$12.50

2. Prepare ledger cards for the patients listed below. The additional names are of family members who would be listed on the separate account cards. After the account cards are prepared, post the three daily log days to the account cards. Be sure to itemize all charges under the description column. Your instructor may provide you with account cards, or you may use the blank cards printed in this Workbook for completion of this assignment. If you use separate cards, they should always be in alphabetical order.

Boris Kostrevski—Mrs. June; Carol Sue
1493 S. James Road
(Your city and Zip code)
\$55.00 Balance brought forward

Patrick Moriarty—Mrs. Joan
397 North Tony Road
(Your city and Zip code)
\$38.00 Balance brought forward

George Schmidt—Mrs. Sue; Tina; Carol
2349 E. Remington Road
(Your city and Zip code)
\$75.00 Balance brought forward

Juan Gomez
293 West High Street
(Your city and Zip code)
\$25.00 Balance brought forward

Patty and Geoff Segal—Susan
410 North Tony Road
(Your city and Zip code)

LaChar Holley
4567 Charcoal Lane
(Your city and Zip code)

Performance Competency

Following completion of Performance Objective Practice, use Performance Evaluation Checklists 8-1, 8-2, 8-3, and 8-4 in the workbook to perform the procedures for evaluation.

CERTIFICATION AND REGISTRATION PREPARATION

- _____ 1. A patient account shows the
 - a. balance due
 - b. charges
 - c. payments
 - d. all of the above
- _____ 2. Besides the appointment schedule, the _____ will reflect the names of all patients seen each day.
 - a. patient's ledger
 - b. daily log sheet
 - c. itemized statement
 - d. total receipts
- _____ 3. Patients should be _____ from sending cash payments through the mail.
 - a. encouraged
 - b. stopped
 - c. discouraged
 - d. restrained
- _____ 4. Dividing account cards into groups to correspond to the number of times billing is done is called
 - a. bookkeeping
 - b. cycle billing
 - c. business transactions
 - d. balancing
- _____ 5. Patients who have filed bankruptcy may continue to see the physician, but must pay with
 - a. cash
 - b. credit card
 - c. insurance
 - d. check
- _____ 6. In which of the following bookkeeping systems are all necessary forms generated with one posting?
 - a. Single entry
 - b. Double entry
 - c. Peg board
 - d. Standard
- _____ 7. Which type of billing system can generate reports that can be used to make the practice more efficient?
 - a. Computerized
 - b. Fax
 - c. Peg board
 - d. Handwritten
- _____ 8. Which of the following methods of bookkeeping records all increases and decreases in the assets of a practice?
 - a. Peg board
 - b. Computerized
 - c. Single entry
 - d. Handwritten
- _____ 9. Who receives the bill for an insurance physical?
 - a. The patient
 - b. The physician's office
 - c. The insurance company
 - d. The insurance agent
- _____ 10. Which of the following cases should result in no further statements being sent to the patient?
 - a. Bankruptcy
 - b. Late pay
 - c. Non-payment
 - d. Leave of absence

ASSIGNMENT SHEET

CHAPTER 8: COLLECTING FEES

Unit 3: Billing and Collections

WORDS TO KNOW CHALLENGE

A. Word Scramble: Unscramble the following terms.

- | | | | |
|-----------|--|---|---|
| 1. _____ | <u>U</u> <u>N</u> <u>S</u> <u>A</u> <u>C</u> <u>O</u> <u>T</u> <u>C</u> | <u>B</u> <u>E</u> <u>I</u> <u>E</u> <u>R</u> <u>C</u> <u>V</u> <u>L</u> <u>E</u> <u>A</u> | |
| 2. _____ | <u>B</u> <u>U</u> <u>R</u> <u>P</u> <u>E</u> <u>A</u> <u>T</u> <u>E</u> <u>L</u> | | |
| 3. _____ | <u>P</u> <u>K</u> <u>I</u> <u>S</u> | | |
| 4. _____ | <u>I</u> <u>F</u> <u>I</u> <u>E</u> <u>S</u> <u>D</u> <u>E</u> <u>P</u> <u>C</u> | | |
| 5. _____ | <u>G</u> <u>G</u> <u>N</u> <u>I</u> <u>A</u> | <u>F</u> <u>O</u> | <u>N</u> <u>A</u> <u>C</u> <u>S</u> <u>T</u> <u>O</u> <u>C</u> <u>U</u> |
| 6. _____ | <u>Z</u> <u>G</u> <u>T</u> <u>A</u> <u>N</u> <u>A</u> <u>E</u> <u>I</u> <u>O</u> <u>N</u> | | |
| 7. _____ | <u>S</u> <u>M</u> <u>A</u> <u>R</u> <u>T</u> <u>A</u> <u>S</u> <u>H</u> <u>N</u> <u>E</u> | | |
| 8. _____ | <u>V</u> <u>Y</u> <u>O</u> <u>C</u> <u>E</u> <u>N</u> | | |
| 9. _____ | <u>D</u> <u>D</u> <u>N</u> <u>E</u> <u>E</u> <u>P</u> <u>X</u> <u>E</u> | | |
| 10. _____ | <u>M</u> <u>T</u> <u>R</u> <u>A</u> <u>I</u> <u>O</u> <u>N</u> <u>T</u> <u>E</u> <u>I</u> <u>N</u> | | |

UNIT REVIEW

A. Short Answer

1. Describe the advantages of computerized billing. _____

2. Describe different ways to locate an account in a computer system. _____

3. List reasons why billing statements would/should be withheld. _____

4. Define "alpha search." _____

5. List the necessary guidelines for placing collection calls.
 - a. _____
 - b. _____
 - c. _____

6. Prior to making the collection call, you should review what information?
- a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
7. Explain why computerized billing and claims can make a practice more efficient. _____

8. Explain the difference between a collection sticker and collection letter. _____

9. Define "aging of accounts." _____

10. How long are accounts ordinarily carried before being referred to a collection agency? _____

11. Should accounts automatically be referred to collection after the prescribed period of time? Why or why not?

12. List the advantages of the use of telephone calls for account collection. _____

13. Compose and type collection letters for the accounts of LaChar Holley, Juan Gomez, George Schmidt, and Boris Kostrevski. Use the examples in the text as a guide. If you use dates, be sure they are compatible with the account cards you are using as reference. Use a different form for each letter.
14. Define "statute of limitations." _____

B. True or False: Place a "T" for true or "F" for false in the space provided. For false statements, explain why they are false.

- _____ 1. To avoid having to ask patients to sign insurance forms each time they are seen, you can initially have them sign a form and keep it as a "signature on file."

- _____ 2. When the computer system accepts only a number, you must maintain a cross-reference file of an alphabetical listing of patients along with their account numbers.

- _____ 3. For an alpha search, the account number is entered in the computer to find the patient's ledger card.

- _____ 4. Making idle threats can encourage patients to pay their bill.

- _____ 5. The process of computer analysis of accounts receivable is known as aging of accounts.

- _____ 6. If you make collection calls early in the morning or late at night, you can be held liable for harassment.

- _____ 7. You should have a reminder file to help you follow up on promises to pay.

C. Fill in the blank

- 1. Before sending a claim to a third party, you must have permission from the _____ to do so.
- 2. A(n) _____ should be obtained each year from a patient in order to file claims for them.
- 3. Accounts that are within 30 days of the billing date are considered to be _____.
- 4. Never choose words that could _____ the patient when composing a collection letter.
- 5. Collections are best made at the _____ of _____.
- 6. The challenge with _____ collections is getting the patient to the phone.
- 7. Placing collection calls at the wrong time can result in charges of _____.
- 8. The practice should make every effort to collect its accounts without resorting to a(n) _____.

CASE STUDIES

Scenario 1

While examining the aging of accounts report, Ann notices the account for Mr. Michael Drifter has not had a payment posted for 90 days. Ann pulls Mr. Drifter's chart and finds the personal data sheet to be lacking important contact information.

Critical Thinking Questions

- 1. What could this mean for the practice? _____

- 2. What should have been checked on the data sheet, and when should this have been done? _____

- 3. How might the office contact Mr. Drifter? _____

Scenario 2

Mrs. Glass is being seen today for her annual physical exam. When asked for her co-pay before seeing the doctor, she becomes very irate. She insists that she will pay when she is finished, but she is known for sneaking out without paying.

Critical Thinking Questions

1. Why do some offices collect the co-pay before the patient is seen by the physician? _____

2. How could this request be explained to Mrs. Glass? _____

3. How could Mrs. Glass be prevented from sneaking out without paying her co-pay? _____

UNIT APPLICATION

Performance Objective Practice

- A. Prepare a collection letter using the following information and the letterhead provided:
 - a. Patient name: Marcella Nottingham
 - b. Patient address: 7878 Birdhouse Lane, Cedarville, US 90909
 - c. Patient account number: 123-5418-2366A
 - d. Patient account balance: \$2,058.23. The balance is 120 past due.
- B. Role play a telephone collection: Mr. Andrew's account is seriously past due, and all attempts to contact the patient by mail have failed. Mr. Andrew owes the practice \$500.00 for a minor surgical procedure that was performed six months ago and has not made one payment. He is known to be a very difficult person when in the office.

PERFORMANCE COMPETENCY

Following completion of Performance Objective Practice, use Performance Evaluation Checklists 8-5 and 8-6 in the workbook to perform the procedures for evaluation.

Name _____

SAMUEL E. MATTHEWS, MD
SUITE 120
100 E. MAIN STREET
YOURTOWN, US 98765-4321
(654) 789-0123

CERTIFICATION AND REGISTRATION PREPARATION

- _____ 1. A patient's account history is also referred to as a
- a. family history
 - b. monthly summary
 - c. fee statement
 - d. patient ledger
- _____ 2. Backing up a file disk of all transactions _____ is necessary to keep billing records secure.
- a. often
 - b. daily
 - c. weekly
 - d. monthly
- _____ 3. In computer terminology, a record of the information obtained for every patient is a(n)
- a. account history
 - b. insurance form
 - c. charge slip
 - d. journal report
- _____ 4. _____ should be programmed into the computer along with their descriptions and the fees to be charged for each.
- a. ICD codes
 - b. Account numbers
 - c. CPT codes
 - d. Insurance numbers
- _____ 5. A computer statement should show the portion of the amount due that is current and
- a. over 30 days
 - b. over 60 days
 - c. over 90 days
 - d. all of the above