

Psychiatry Coding & Reimbursement Alert

Reader Question: Customize Your Appeal Letters to Bring in the Dough

Question: After checking to be sure we haven't made a coding or billing entry error, our practice automatically appeals payer denials using a standard letter. We don't seem to be very successful in ultimately getting payment. How can we improve our appeals process?

Louisiana Subscriber

Answer: Before you begin the appeal process, first check the payer's policies. If, for example, the payer has a policy that bundles pharmacological management (+90863, Pharmacologic management, including prescription and review of medication, when performed with psychotherapy services [List separately in addition to the code for primary procedure]) into any E/M services performed on the same day and will not reimburse it separately, don't appeal these. Writing appeals is time-consuming enough, so you don't want to waste time on appeals you cannot win because there is already a specific policy in place.

Next, be sure you follow the payer's appeal procedure exactly. Often, the address to submit appeals is different from the claims address, and some payers require you to send a special form with the appeal.

Get specific: Rather than sending a generic appeal letter for every denial, customize yours with the appropriate key words for each situation. Instead of sending a letter stating "the claim was submitted correctly," send a letter that addresses the specific claim and the specific reason(s) why the particular modifier was used in the particular scenario. Further, you should quote industry guidelines (such as CPT® and/or CMS guidelines) and, if available, the insurance company's own guidelines.

Tip: Composing appeal letters can be time-consuming. But you can save time by identifying your most common denials and creating fill-in-the-blank appeal letters for each of these scenarios.

For example, you may find that you receive many denials for bundling issues even when you use modifier 59 (Distinct procedural service) properly. Chances are, the letters you compose will start and end basically the same. By creating a base template, you can concentrate on filling in the details for each claim instead of writing each one from scratch.