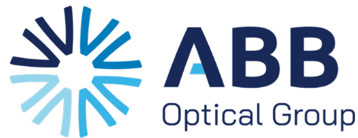


Practice Development Series

Billing and Coding for Specialty Contact Lenses

Presented by Stephanie Woo, OD, FAAO, FSLS

An interview with Craig W. Norman, FCLSA

Craig Norman

Dr. Stephanie Woo, thanks for a great presentation and agreeing to answer a few additional questions pertaining to your ***Practice Development Educational Series*** webinar sponsored by ABB Optical Group.

You have an interesting perspective on Billing and Coding. In your previous practice setting you employed the classic compensation method of accepting insurances which necessitated someone in the office understanding the nuances of each of their individual reimbursement programs.

Recently though, you have opened the referral-based Contact Lens Institute of Nevada where it's cash only with no insurance accepted. Yet, you and your office team still need to be up to date on the most relevant insurance programs to help your patients maximize their full benefits.

Here is our first question.

Do you have any tips for how the staff should have the discussion of fees with prospective patients? And is there a difference if it is over the phone compared to face to face in the office.

Dr. Stephanie Woo

I think you can go two different ways, two different approaches.

Let us first start with the phone call for a consult.

One approach is for the staff to inform a prospective patient inquiring about fees that the consultation is going to consist of X, Y, Z and the cost is $___. Then she will review the specific case and go over every option that the patient has.

Number two is the consult is X and includes XYZ. If you do decide to proceed with the contact lens fitting the price starts at X and that way, they're kind of crystal clear.

With my practice now, that's the approach we use since I don't take insurance. It's a little bit different.

If a patient is really hard pressing for information on an approximate cost, there's two ideas.

Many patients just want to know kind of a broad category. Is it going to cost me a hundred dollars? Is it going to cost me a thousand dollars? Is it going to cost me $10,000? They just want to know a ballpark number.

Plus, I want to be fully transparent, just as if I was the patient, myself.

That's my personal approach. I feel like my capture rate is much higher because I'm transparent on the phone.

For others, their goal may be a little different in that they attempt to convert as many patients as possible. In those practices the philosophy might be to offer a monthly payment plan. The patient is provided information on the consult and then after proving value, discuss the fees.

Craig Norman
Being clear-cut and transparent regarding fees makes sense. The last thing you want to have is to get along the path of solving the patient's problems then when it gets to the money discussion the patient is irritated. That's what everybody wants to avoid. You don't feel good. They don't feel good. The staff doesn't feel good. Nobody wins.

Dr. Woo
Exactly. So, I think if they need at least a general ballpark of what to expect. I will say that my capture rate is much, much higher when it's been explained up front what's included.

Craig Norman
Does your referral network have an idea of what your fees are in case the patient asks their doctor, what it costs to see a specialist like Dr. Woo?

Dr. Woo
Yes, I think that is incredibly important. Every doctor that I have met with, I have made sure to work into the conversation that I do not take insurance because that's incredibly important for them to know.

On the other hand, if you do take insurances, then list out what ones you accept. And then also if they want a ballpark number, you should absolutely give that to them because the referring doctor is going to be asked those questions from the patient.

Craig Norman
What does your patient services agreement look like? Do you have a specific staff member that manages that discussion so you're not sitting there checking the boxes with them?

Dr. Woo
Yes. In my other practice, there was a technician that was dedicated to this discussion with specialty lens patients. She would review everything in detail and then the patient would initial each section to demonstrate their understanding.

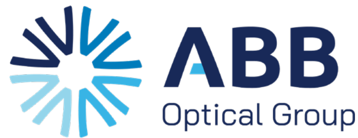
That way, everybody's fully crystal clear on what to expect.

In, my new practice I go through everything with them verbally, as we're kind of going through the fitting process and answering all their questions. Then at the very end, my administrative assistant once again reviews everything within the written contract that the patient then signs.

In this information era, where there's Facebook groups and other online forums, the patient is going to find numerous posts dedicated to keratoconus, corneal transplants, scleral lenses, and much more. It is very easy nowadays for patients to find out information on how much specialty contact lenses cost.

They're going to ask somebody across the world, across the nation, or within their own city about their condition and they're going know what reasonable fees are. This is why I don't feel it is necessary to hide your fees.

Craig Norman
How often do carriers like EyeMed, VSP, Blue Cross, Spectera and Medicare change their policy rules? Is it a set time like every January or do the insurance carriers just send you a note to say here, here's an update and your reimbursement has now changed?



Dr. Woo
Usually insurance companies will send you an email or a letter notifying you if there's going to be a change. We constantly monitor this to at least keep a lookout for modifications. VSP, I believe, makes updates their provider manual each March.

Craig Norman
In your previous life with the practices being in Arizona and California, what was the number of insurance carriers your staff dealt with annually? Is it five, 10, 20, 50?

Dr. Woo
I would say it was more than that. Maybe 100.

Craig Norman
If a patient's medical insurance pays very little and you know in advance that you would lose money; what do you do? How do you proceed in that circumstance?

Dr. Woo
That's such a tricky area because theoretically, if you sign with an insurance company, you are saying that with the codes that are covered you are willing to accept the reimbursement. I've dealt with that before where they paid me less than I had to pay for the actual lens.

So, I was losing money to fit the patient. In that case, I just told the patients that from now on, we have to collect out of pocket for these things. And of course, you'll get pushback from some patients.

Patients are usually quite understanding when I explain to them that after I bill your insurance, I will actually get paid less than what I will spend on purchasing your lenses for you. Patients also have a love hate affair with the insurance companies, which in my experience is why most are really understanding of that.

Craig Norman
How about if, if a patient comes in for their full exam, let's say at the beginning of the month, and then the staff works on obtaining a prior authorization or verifies the patient's benefits after the patient leaves. What should the date of service for the claim be?

Dr. Woo
Typically, you would use the date of service when you fit the patient for the first time. That starts your global period.

Craig Norman
What is a KX modifier?

Dr. Woo
That means that it is medically necessary and certain insurances require that. Spectera, for example, you must use the KX modifier or else they will kick it out. This modifier tells the insurance company that this is a medically necessary device or medically necessary service. Same thing with Medicare DME, you have to put that KX modifier to tell them that this is a medical service and the patients need contact lenses.

I believe those are the only two.

If you're just billing services to VSP, EyeMed, and most medical insurances, you do not need to use require that code.

This why it's important to get the prior authorization. You can ask insurer what kind of modifiers are needed to make sure it doesn't get kicked back.

Craig Norman

Do you charge differently for V codes based on insurance reimbursements?

Dr. Woo

I charge differently for each V code because every V code is a different type of lens.

For example, V2510 is a spherical corneal gas permeable lens. That's going to cost the practice significantly less than V2531, which is a scleral lens.

Craig Norman

So, from one insurance company to another, is it the same or can you charge differently?

Dr. Woo

You're supposed to keep it the same. Plus, its simple for the staff as well.

Craig Norman

If you are billing EyeMed or VSP do you charge the patient for add-ons like front torics or toric haptics?

Dr. Woo

Yes. If there are any additional charges for some of these ancillary charges, I always bill that to the patient. Add-ons like front toric, multifocal, Hydra-PEG. It's justified because it's very similar to a premium IOL. The patient is told what the insurance will pay for with an IOL, but if the patient wants something like a multifocal there will be an extra charge.