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Billing Insurance: How to Get Started

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WHAT YOU NEED TO KNOW

- Once a provider is licensed, they may begin practicing and may bill insurance for their services. There is no requirement to sign up for any insurance plan.
- Billing insurance is not “take one, take all.” You may choose to accept some plans and not others.
- My basic rule is to not to join any insurance plan that will pay the provider when they are out of network.
- I recommend being selective, but certainly accepting plans that will pay for your services, as any assistance in payment will always allow a patient greater access to care.

Question: I am a new provider and want to bill insurance. What am I required to sign up with or get a credential for so I may begin?

Congratulations, and I am certain you are excited, but also a bit intimidated about starting. Your question is common and deals with an issue about which their are many misunderstandings. New providers often mistakenly believe they must “sign up” to bill insurance, which in fact is incorrect.

Once a provider is licensed, they may begin practicing and may bill insurance for their services. There is no requirement to sign up for any insurance plan to begin billing insurance, but simply that you are willing to provide your services and in turn, bill insurance.

Basic Requirements

Of course, you must be licensed and have a national provider number (NPI), but that was likely done while you were working in the clinic of your school. You must also have a tax identification

number (TIN), but this can and may vary depending on how you are set up. It could be as simple as your social security number, but that is not recommended, and it is better to set up a tax ID under your business and not just as an individual.

Choosing Insurance Plans

Keep in mind that it is always an individual choice and billing insurance is not “take one, take all.” You may choose to accept some plans and not others. It is common for medical practitioners to indicate that they accept insurance, but not state that they do not accept *all* insurance.

For example, you may choose to accept not only certain types of plans, but certain carriers. If you bill Blue Cross Blue Shield, you have the option to accept only certain plans under Blue Cross Blue Shield and not others.

There is more solidarity than most realize and providers have a right to choose which plans they may or may not accept. However, that also means you are not in the network with the plan as a registered provider. If you do enroll with a particular plan as a provider, you then have an obligation to bill, and cannot choose not to do so.

This may be partly what you are thinking – that some insurance plans will have benefits only with providers who are part of their network. For these plans to accept them as an insurance provider, you would need to register. But before leaping, I would always look at the global outcome of that relationship.

In-Network vs. Out-of-Network: Factors to Consider

You may be confused by the fact that there are certain plans with only “in-network” benefits. This type of plan is offered by a health maintenance organization (HMO) and these plans will not pay a provider who is not registered as a member of their plan. Outside of this type of plan, whether it be a standard indemnity plan or even a preferred provider organization (PPO), once you are licensed you may access and bill for your services.

So, the first factor to consider is: *Does the plan limit benefits to only “in-network” providers?* Plans offered by PPOs generally will allow patients to choose providers out of the network; however, the out-of-pocket expense to the patient may be higher. The incentive for choosing an in-network provider is that when the patient chooses one, they may have simply copayment or at least a lesser out-of-pocket cost.

But what is interesting is that *some plans will allow and pay more to the out-of-network provider* (albeit some of the payment will also be placed on the patient). But we have to take a look at this from a business standpoint: Will the lesser payment be made up with greater volume or will you continue to see the same number of patients and just be allowed to bill less?

My basic rule is to not to join any plan that will pay the provider when out of network. I find patients will often choose an out-of-network provider based on the reputation of the provider and not solely on price. Unless you can assure a greater volume and your office procedure efficiency can accommodate, why take less money? You will still be paid, but it will not be limited to the contracted rate. There are several factors to consider, but this to me is the one of greatest value.

Take-Home Points

recommend being selective, but certainly accepting plans that will pay for your services, as any assistance in payment will always allow a patient greater access to care. However, you need not

join any plan when starting, and can take your time to determine, considering your region and patient base, whether or not joining a particular plan will provide added benefit.

Editor's Note: Have a billing question? Submit it to Sam via email at sam@hjrossnetwork.com. Submission is acknowledgment that your question may be the subject of a future column.

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