

TROJAN TODAY

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A NEWSLETTER FOR CLIENTS OF TROJAN PROFESSIONAL SERVICES, INC.

Net Collection Rate is Key to a Healthy Dental Practice

by Christine Taxin

Healthy collections mean a healthy practice. If you're writing off too many balances or writing off the wrong balances, you and your staff aren't getting paid for your hard work. Your office needs a clear picture of what's being paid, who's paying it, and why some balances are unpaid. To really dig into this information, you first must start tracking one essential statistic: ***your net collection rate.***

Finding and Using Your Net Collection Rate

To find your net collection rate, you need to look at what you actually bill for each case, not your charge sheet. Since you may have different allowable charges for each payer, the master charge sheet may not give you an accurate idea of how much you can collect for a given procedure. Instead, the total charges should be the sum of the patient payment and contracted third party payer amount for all procedures.

STEP 1: Find your total charges for a 12-month period.

STEP 2: Calculate payments received for services performed during that period. If your practice management software does not allow you to match payments to the date of service, use aged data (for instance, 6 months old) to calculate the payments. This ensures that the majority of charges used in the calculation have cleared.

For example, if your practice management software matches payments and services for you and it is December 2018, you can calculate your net collection rate for December 2017-December 2018. If your software does not allow you to match payments, you'll have to calculate for June 2017-June 2018.

STEP 3: Divide your payments by your total charges and multiply by 100. This gives your net collection rate in the form of a percentage. A net collection of 78%, for instance, would mean that you were only collecting on 78% of the money owed to your practice.

STEP 4: Analyze your net collection rate. A healthy medical or dental practice should have a collections rate of 95% or better. If your billing staff is especially skilled or you're in certain specialties, it may be even higher. If your net collection rate is lower than 95%, take a hard look at the expenses you're writing off.

STEP 5: Make the easy fixes first. If your net collections are below 95%, there may be some easy solutions to your problem:

- Are you frequently writing off the patient portion of a procedure because you didn't collect the copay up front? Change your collection procedures so you can receive the copay at the time of service.
- Are your claims being denied by third party payers because of untimely filing? It's time to train and/or expand your staff and/or outsource your billing, so you can get those claims filed on time and paid.
- Are you receiving less than you expected from third party payers? Take time to update all your fee schedules; you may be calculating expected payment based on outdated or incorrect information.



Christine Taxis is the founder and president of Links2Success, a practice management consulting company to the dental and medical fields. With over 25 years of experience as a practice management professional, she now provides private practice consulting services, delivers continuing education seminars for dental

and medical professionals, and serves as an adjunct professor at the New York University (NYU) Dental School and Resident Programs for Maimonides Hospital.

FMI: www.links2success.biz, or 914-303-6464.

Ask the Consultant

Q: We participate with quite a few insurance companies for which we have to take adjustments. I have been told that we only need to take the adjustment for the primary insurance and do not need to take the secondary adjustment. Usually we bill the patient whatever the secondary EOB says is due from the patient but sometimes that balance is after it is noted with an adjustment. Is there a rule for taking secondary adjustments when we participate?

A: If you are in contract with both the primary and secondary insurance carriers, then you have agreed to honor the contracted fee schedules. Therefore, you would have to make the adjustment on the secondary unless the secondary fee schedule is higher than the primary. I also always recommend reading the PPO contract.

Q: If a patient has dual dental coverage, plus they are the subscriber for both plans and both are a PPO, which plan is the adjustment made on? Primary?

A: If your doctor is a contracted provider for both plans, then you need to honor both PPO fee schedules. Meaning if the primary plan is the higher fee schedule, you still need to honor the secondary fee schedule.

Q: When a patient has 2 insurances and the office participates with both, do we have to take a double write-off or does the primary dictate the fee?

A: When the doctor is a contracted Preferred Provider for both plans, then s/he has to honor the contracted fee schedules. So yes, it would be a double write-off.

Responses provided by **Kathleen Johnson**, President of Kathleen Johnson Consulting, Inc.

You have questions? We have answers!

Ask the Consultant provides a direct line to experts who offer advice on how to design an effective management program for your practice.

They can help you improve your image, create a more patient-centric workflow, and keep your chairs full by providing best practices and up-to-date information on how to run a successful dental practice.

Ask your question today:

[www.trojanonline.com/
services/ask-the-consultant](http://www.trojanonline.com/services/ask-the-consultant)

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TROJAN PROFESSIONAL SERVICES

Quote-Worthy

“ *Be thankful for what
you have. You’ll end up
having more.*

*If you concentrate on
what you don’t have,
you will never,
ever have enough.* ”

— Oprah Winfrey

Service Savvy



Multiple Benefit Plans

Q: When I am searching for benefits on the Trojan database, I sometimes come across more than one set of benefits for the same employer. How do I know which is the right one for my patient?

A: When there are multiple plans to choose from, Trojan lists additional information in the second line of the employer address and in the Notes and Limitations area. There are many examples where you may encounter this:

- Preferred or Non-Preferred
- Preferred or Participating with Premier or Non-Participating with Premier
- High Option or Low Option
- Salaried Employees or Hourly Employees
- Employees Only or Spouse and Dependent Children

Here is an example of one of the ways this information may be listed:

**Bobs Barbecue Roasters
Non Preferred
1561 Mesquite Ln
Austin, TX 78722**

Insurance companies may also offer multiple benefits for the same employer. This information will also be listed on the second line of the employer address.

Below is a list of some of the examples:

- Sub and Branch numbers: (Sub 25, Branch 001)
- Division numbers: (Division 32)
- Plan letters: (Plan DL)
- Product ID numbers

Here is another example of one of the ways this information may be listed:

**American Widget Products
Sub 55, Branch 001
1776 Freedom Way
Philadelphia, PA 19148**

After you have verified your patient's eligibility, if you are still unable to locate a particular plan in the system, please call our Customer Service Department and we will be happy to assist you. CALL: 800-633-3060.

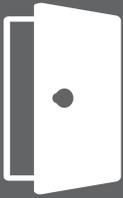
FUN! Fact

In 1892, acting on a suggestion from his son, who while studying in Paris had seen artists using paint squeezed from metal tubes, Connecticut dentist Washington Sheffield, found a way to do the same thing with toothpaste.

Previously toothpaste came in porcelain jars into which all the members of a household dipped their brushes.

Sheffield's innovation of packing toothpaste into collapsible tubes was more efficient since a person could squeeze out only as much as needed. It kept the toothpaste from drying out and was much more hygienic.





TROJAN Closings

NOVEMBER 22-23, 2018

Thanksgiving Holiday

DECEMBER 24, 2018 –

JANUARY 2, 2019

Winter/New Year Holidays

*Collection Services will
reopen on January 3, 2019*

What Clients Say



“Trojan always sends our patients’ insurance benefit information in a timely manner. If they cannot do so, they call us ASAP and let us know why the delay. Everyone is kind and courteous on the phone.”

— **Teresa B.**, Treatment Plan Coordinator



Seminars

Front Office Rocks

Presented by Laura Hatch

DECEMBER 7, 2018

Dallas, TX

Click here for more information or visit:
frontofficerocks.com

Dental Medical Billing

Presented by Christine Taxin

DECEMBER 6–7, 2018

New York County Dental Society, NY

FEBRUARY 7–8, 2019

Trojan Professional Services, Los Alamitos, CA

Click here for more information or visit:
www.links2success.biz

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Share your dental and front office experience with others! Articles should be no more than 750 words. Include a short s and recent photo.

Submit to: nikkim@trojanonline.com

Trojan encourages a wide variety of contributors and subjects to its newsletter.



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Accelerating dental practices to excellence by providing services that increase case acceptance, production, and collections.

TROJAN PROFESSIONAL SERVICES

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