Oncology Issues

ISSN: 1046-3356 (Print) 2573-1777 (Online) Journal homepage: https://www.tandfonline.com/loi/uacc20

Denials and Appeals

Roberta Buell

To cite this article: Roberta Buell (1999) Denials and Appeals, Oncology Issues, 14:4, 12-12, DOI: 10.1080/10463356.1999.11904851

To link to this article: https://doi.org/10.1080/10463356.1999.11904851

Published online: 17 Oct 2017.

Denials and Appeals

by Roberta Buell, M.B.A.

Q: *What is the difference between a denial and a claim rejection?*

A: A claim rejection occurs because the insurance carrier believes that you have billed incorrectly. For example, you used an invalid ICD-9-CM or CPT code. Generally a claim is denied because it does not support medical necessity or the appropriateness of services billed. Rejected claims for invalid coding or billing errors can be resolved by re-billing. However, denials must be appealed, a process that can take six months or more.

Q: *I work in a hospital-based cancer center, and I never hear about denials. Why?*

A: Your hospital may not receive many denials. The hospital bill (the UB-92) is less specific than a physician's bill in terms of matching the exact drug with the patient's diagnosis. Depending on the therapies a hospital delivers, there may not be many claims denied.

Some hospital denials occur only during a Medicare audit. Or, your patient accounting staff may simply copy the relevant records, then send them to Medicare and other insurance companies hoping for proper payment. I recommend clinician input for a better outcome. If you are aware of a Medicare audit at your institution, ask to be involved in the response.

The patient accounting (or billing) office may not communicate denials to the cancer center. You may want to take the lead in improving communication among staff. Oncology clinicians can provide valuable information on the medical necessity for all claims related to cancer treatment. Clinicians and pharmacists are in the best position to enlist pharmaceutical companies and principal investigators in providing supporting documentation for claims.

Q: *Should I appeal every claim that is denied?*

A: In most cases, the answer is a resounding "yes." Here are some decision criteria you can use.

The dollar amount of the claim. Claims for under $50 may not be worth the effort. However, it is important to look at future claims and their dollar amounts as much as the claim in question.

The precedent being set. Some claims must be appealed based on the precedent that would be set in your area. Some carriers routinely violate state and federal cancer coverage laws for "off-label" use of drugs. If providers do not take a stand, these laws will not be effective.

Prevention of future hassles. There are certain instances where, if you do not appeal, Medicare may surmise that you have filed a "false claim." Repeated billing may lead to a fraud investigation. It is best to appeal these types of claims as soon as possible. An example is a consultation claim that is reduced by Medicare, because it was not indicated for that patient.

Q: *What is the best way to write an appeal?*

A: First, ascertain why the claim has been reduced or has gone unpaid. I have seen appeals written for claims that could simply have been re-billed. Also, make sure to address the right issue. After that, do the following:

- Gather all pertinent information about the case. All supporting documentation about that patient is necessary to support the services you provided, e.g., consultations, pathology reports, and documentation of other failed therapies.
- Collect all pertinent information about the therapy. Search for articles, abstracts, or other information relative to the appropriateness of the therapy for this patient. Pharmaceutical companies are very helpful in this regard.
- Write a concise, one-page letter summarizing the medical necessity of treatment. If you have Medicare or state law on your side, state so in the body of the letter. If you believe that the denial was legally unjust, copy your lawyer, the insurance commissioner, or congressperson. Refrain from editorial comments railing against the demise of health care or poor drug pricing. Such complaints may be harmful to this and future claims. ■

Roberta Buell, M.B.A., is president of Intake Initiatives, Inc./Documedics in San Francisco, Calif.

CORRECTION

In reference to the May/June Q & A, regulations in 21 CFR, part 312, that govern the use of drugs subject to an Investigational New Drug Application strictly prohibit the use of any remaining quantities of a drug specifically administered as part of a clinical trial. The drugs can be used only for patients on the study for which the investigational drugs are provided.