

# To the Student

## Your Career in Medical Billing

This class introduces you to the concepts and skills you will need for a successful career in medical office billing. Health care continues to be one of the fastest growing industries. As such, there is increasing need for both health care professionals and support staff. One important support function involves the accounting and patient billing aspects of a medical practice. Individuals who have practical experience using patient billing software are well prepared for these challenging tasks. Anyone who aims to get a job in medical billing will find that an understanding of the billing cycle and billing software is often a prerequisite to being hired.

Billing specialists play important roles in the financial well-being of every health care business. Billing for services in health care is more complicated than in other industries. Government and private payers vary in payment for the same services, and healthcare providers deliver services to beneficiaries of several insurance companies at any one time. Medical billing specialists must be familiar with the rules and guidelines of each health care plan in order to submit the proper documentation so that the office receives maximum appropriate reimbursement for services provided. Without an effective billing staff, a medical office would have no cash flow!

To succeed in this field, you will need to possess a variety of abilities and skills. In addition to specialized knowledge about medical billing, you must have computer skills, including database management, spreadsheets, electronic mail, and the Internet. You will also need to possess excellent customer service skills. Even though they are not involved in the actual process of providing medical care, billing specialists come in contact with clients, insurance companies, and patients. For example, incoming calls from patients who have questions regarding a charge are often directed to the billing staff, who must be able to communicate effectively with all types of people.

Medical billing specialist is one of the 10 fastest-growing allied health occupations. This employment growth is the result of the increased medical needs of an aging population and the growing number of health practitioners. Medical billing is a challenging, interesting career, where you are compensated according to your level of skills and how effectively you put them to use. Those with the right combination of skills and abilities may have the opportunity to advance to management positions, such as patient account managers, physician office supervisors, and medical office managers. The more education the individual has, the more employment options and advancement opportunities are available.

## About This Book

This text/workbook includes a tutorial and a comprehensive simulation. Once you learn how to operate the NDCMedisoft program by completing the tutorial, you can practice those skills by working through the simulation. Both the tutorial and the simulation use a medical office setting, Family Care Center, to provide a realistic environment in which you can learn how to use the software.

NDCMedisoft is a popular patient billing and accounting software program. It enables health care practices to maintain their billing data as well as to generate report information. The software handles all the basic tasks that a medical billing assistant needs to effectively perform his/her job. As such, NDCMedisoft is an excellent training tool for anyone interested in working as a medical billing assistant. Even if you do not use NDCMedisoft on the job, the skills you learn here will be similar to those skills needed to use almost any medical accounting program. You will learn how to perform the following tasks:

- Input patient information
- Enter patient transactions
- Create insurance claims
- Produce patient statements
- Enter payments and adjustments
- Produce reports

## Getting Started

Before you jump into the tutorial, review the information provided in this section. Here you will find information that describes the setting and explains your role as a medical billing assistant at the Family Care Center.

### Family Care Center

Dr. Katherine Yan, for whom you will work, operates the Family Care Center located in the Stephenson Medical Complex. This medical complex includes suites for 27 doctors, a pharmacy, and a laboratory with X-ray equipment. Like the other medical practices at the Stephenson Medical Complex, the Family Care Center is independently run. Referrals, however, are often made among the physicians in the complex.

**Dr. Yan's Office** Dr. Katherine Yan specializes in family practice, which means she is qualified to treat infants, children, and adults. She treats a wide variety of medical conditions such as gynecological problems, cardiac problems, infections, and fractures. Dr. Yan is the first doctor her patients consult for almost any medical problem and for routine physical checkups as well. When patients need more specialized care, such as surgery or obstetrical services for the birth of a baby, Dr. Yan refers her patients to other doctors. Since a variety of specialists have offices in the complex, Dr. Yan is able to send most of her patients to other physicians

there. In return, she sees patients who are referred to her by other doctors in the complex.

The office suite that Dr. Yan leases is located just off the landscaped courtyard in the center of the medical complex. Parking is nearby, providing easy access to the office for the physically handicapped patients. The office suite consists of the following rooms:

- A reception area with comfortable furniture and reading materials for adults and children. The office receptionist sits at a workstation in this area. Patients check in here when they arrive and make appointments and pay bills here when they leave. This is where the main office phone is located. The appointment book is kept near the phone so that the receptionist can schedule appointments when patients call the office.
- A spacious office off the reception area with a desk for the medical billing assistant, a computer, a variety of office equipment, and a wall of file drawers. Patient charts, patient financial and medical records, and other records are stored in this area. There is a phone in this area as well, so that the medical billing assistant can handle inquiries from patients and phone calls to patients and insurance companies about their bills and unpaid claims.
- An office for the office manager, next to the medical billing assistant's office.
- An adjacent hallway leading to the following rooms within the office suite: minor surgery room, three examination rooms, small laboratory for routine tests (other tests are performed at the laboratory in the medical complex), office where Dr. Yan speaks with patients, supply room with medical and office supplies, and a rest room.

The office is open Monday, Tuesday, Wednesday, and Friday from 8:00 a.m. to 5:00 p.m. Dr. Yan shares nonoffice-hour calls with six other doctors in the area. She is on call Tuesday evenings and every seventh weekend for emergencies. When Dr. Yan is on call, the members of her staff are also asked to be available in case they are needed.

Members of Dr. Yan's staff include:

- Doris Blackwell—Office Manager. Doris has been with the doctor for the past four years and supervises the business aspects of the practice. She also serves as the accountant for the office, doing payroll, accounts payable, and so on, working closely with a certified public accountant.
- Michelle Walcott—Clinical Assistant. Michelle has worked with Dr. Yan for the past six years. She prepares patients to see the doctor, gives injections, changes dressings, assists in minor surgery, and generally helps the doctor with patient care.
- David Gerardo—Receptionist/Administrative Medical Office Assistant. David handles the front desk and the phones, pulls patients' charts for daily appointments, files the charts, schedules appointments, and orders supplies.

- You—Medical Billing Assistant. Dr. Yan has recently hired you as the new medical billing assistant to replace Bill Larson, who has moved out of the area. Your first responsibility is to learn the NDCMedisoft patient billing and accounting software. Although your primary responsibility is for patient records and patient billing, Dr. Yan wants to be sure that you are familiar with the basic accounting system used in the office. The office uses the cash basis for accounting, which means that all revenues are recorded when they are actually received and that expenses are recorded only when they are paid. The patient billing portion of the accounting system has been computerized using NDCMedisoft Advanced Patient Accounting.

**Your Role** Since one of your major responsibilities is to handle patient accounts in NDCMedisoft, Dr. Yan has asked that you become familiar with NDCMedisoft as soon as possible. You will begin your training by reading materials about how a medical office operates and about how a computerized patient billing system works. The materials will enable you to learn and practice using the various functions of the software before you work with real information.

After you have completed Chapters 1 through 7 of the instructional materials, you will enter patient information for Dr. Yan’s office for a four-day period. This will give you an opportunity to work with actual patient information and to try out what you have learned.

## How Can I Succeed in This Class?

If you’re reading this, you’re on the right track.

*“You are the same today that you are going to be five years from now except for two things: the people with whom you associate and the books you read.”*

*Charles Jones*

Right now, you’re probably leafing through this book feeling just a little overwhelmed. You’re trying to juggle several other classes (which probably are equally as intimidating), possibly a job, and on top of it all, a life.

It’s true—you are what you put into your studies. You have a lot of time and money invested in your education. Don’t blow it now by only putting in half of the effort this class requires. Succeeding in this class (and life) requires:

- A commitment—of time and perseverance
- Knowing and motivating yourself
- Getting organized
- Managing your time

This special introduction has been designed specifically to help you learn how to be effective in these areas, as well as offer guidance in:

- Getting the most out of your lecture
- Thinking through—and applying—the material
- Getting the most out of your textbook
- Finding extra help when you need it

## A Commitment—of Time and Perseverance

Learning—and mastering—takes time. And patience. Nothing worthwhile comes easily. Be committed to your studies and you will reap the benefits in the long run.

Consider this: your accounting courses are building the foundation for your future—a future in your chosen profession. Sloppy and hurried craftsmanship now will only lead to ruins later.

*Side note: A good rule of thumb is to allow 2 hours of study time for every hour you spend in lecture.*

## Knowing and Motivating Yourself

What type of a learner are you? When are you most productive? Know yourself and your limits and work within them. Know how to motivate yourself to give your all to your studies and achieve your goals. Quite bluntly, you are the one that benefits most from your success. If you lack self-motivation and drive, you are the first person that suffers.

Knowing yourself—There are many types of learners, and no right or wrong way of learning. Which category do you fall into?

- **Visual learner**—You respond best to “seeing” processes and information. Particularly focus on the text’s figures and tables.
- **Auditory learner**—You work best by listening to—and possibly tape recording—the lecture and by talking information through with a study partner.
- **Tactile/Kinesthetic Learner**—You learn best by being “hands on.” You’ll benefit by applying what you’ve learned during lab time. Think of ways to apply your critical thinking skills in application ways. Perhaps a text website will also help you.

Identify your own personal preferences for learning and seek out the resources that will best help you with your studies. Also, learn by recognizing your weaknesses and try to compensate/work to improve them.

## Getting Organized

It’s simple, yet it’s fundamental. It seems the more organized you are, the easier things come. Take the time before your course begins to look around and analyze your life and your study habits. Get organized now and you’ll find you have a little more time—and a lot less stress.

- **Find a calendar system that works for you.** The best kind is one that you can take with you everywhere. To be truly organized, you should integrate all aspects of your life into this one calendar—school, work, leisure. Some people also find it helpful to have an additional monthly calendar posted by their desk for “at a glance” dates and to have a visual of what’s to come. If you do this, be sure you are consistently synchronizing both calendars as not to miss anything. *More tips for organizing your calendar can be found in the time management discussion on the next page.*

- **Keep everything for your course or courses in one place**—and at your fingertips. A three-ring binder works well because it allows you to add or organize handouts and notes from class in any order you prefer. Incorporating your own custom tabs helps you flip to exactly what you need at a moment's notice.
- **Find your space.** Find a place that helps you be organized and focused. If it's your desk in your dorm room or in your home, keep it clean. Clutter adds confusion and stress, and wastes time. Or perhaps your "space" is at the library. If that's the case, keep a backpack or bag that's fully stocked with what you might need—your text, binder or notes, pens, highlighters, Post-its, phone numbers of study partners (hint: a good place to keep phone numbers is in your "one place for everything calendar").

*A Helpful Hint: add extra "padding" into your deadlines to yourself. If you have an assignment due on Friday, set a goal for yourself to have it done on Wednesday. Then, take time on Thursday to look over your work again, with a fresh eye. Make any corrections or enhancements and have it ready to turn in on Friday.*

## Managing Your Time

Managing your time is the single most important thing you can do to help yourself. And, it's probably one of the most difficult tasks to successfully master.

You are taking this course because you want to succeed in life. You are preparing for a career. You are expected to work much harder and to learn much more than you ever have before. To be successful you need to invest in your education with a commitment of time.

## How Time Slips Away

People tend to let an enormous amount of time slip away from them, mainly in three ways:

1. **Procrastination**, putting off chores simply because we don't feel in the mood to do them right away
2. **Distraction**, getting sidetracked by the endless variety of other things that seem easier or more fun to do, often not realizing how much time they eat up
3. **Underestimating the value of small bits of time**, thinking it's not worth doing any work because we have something else to do or somewhere else to be in 20 minutes or so.

We all lead busy lives. But we all make choices as to how we spend our time. Choose wisely and make the most of every minute you have by implementing these tips.

## **Know Yourself and When You'll Be Able to Study Most Efficiently**

When are you most productive? Are you a late nighter? Or an early bird? Plan to study when you are most alert and can have uninterrupted segments. This could include a quick 5-minute review before class or a one-hour problem solving study session with a friend.

## **Create a Set Study Time for Yourself Daily**

Having a set schedule for yourself helps you commit to studying, and helps you plan instead of cram. Find—and use—a planner that is small enough that you can take with you everywhere. This can be a \$2.50 paper calendar or a more expensive electronic version. They all work on the same premise—**organize all of your activities in one place.**

Less is more. Schedule study time using shorter, focused blocks with small breaks. Doing this offers two benefits:

1. You will be less fatigued and gain more from your effort, and
2. Studying will seem less overwhelming and you will be less likely to procrastinate.

## **Plan Time for Leisure, Friends, Exercise, and Sleep**

Studying should be your main focus, but you need to balance your time—and your life.

Try to complete tasks ahead of schedule. This will give you a chance to carefully review your work before you hand it in (instead of at 1 a.m. when you are half awake). You'll feel less stressed in the end.

## **Prioritize!**

In your calendar or planner, highlight or number key projects; do them first, and then cross them off when you've completed them. Give yourself a pat on the back for getting them done!

Try to resist distractions by setting and sticking to a designated study time (remember your commitment and perseverance!) Distractions may include friends and surfing the Internet . . .

## **Multitask When Possible**

You may find a lot of extra time you didn't think you had. Review material or organize your term paper in your head while walking to class, doing laundry, or during "mental down time." (Note—mental down time does NOT mean in the middle of lecture.)

## Getting the Most Out of Lectures

Believe it or not, instructors want you to succeed. They put a lot of effort into helping you learn and preparing their lectures. Attending class is one of the simplest, most valuable things you can do to help yourself. But it doesn't end there . . . getting the most out of your lectures means being organized. Here's how:

### Prepare Before You Go to Class

Really! You'll be amazed at how much more comprehensible the material will be when you preview the chapter before you go to class. Don't feel overwhelmed by this already. One tip that may help you—plan to arrive to class 5-15 minutes before lecture. Bring your text with you and skim the chapter before lecture begins. This will at the very least give you an overview of what may be discussed.

### Be a Good Listener

Most people think they are good listeners, but few really are. Are you?

Obvious, but important points to remember:

- You can't listen if you are talking.
- You aren't listening if you are daydreaming.
- Listening and comprehending are two different things. If you don't understand something your instructor is saying, ask a question or jot a note and visit the instructor after hours. Don't feel dumb or intimidated; you probably aren't the only person who "doesn't get it."

### Take Good Notes

- Use a standard size notebook, and better yet, a three-ring binder with loose leaf notepaper. The binder will allow you to organize and integrate your notes and handouts, integrate easy-to-reference tabs, etc.
- Use a standard black or blue ink pen to take your initial notes. You can annotate later using a pencil, which can be erased if need be.
- Start a new page with each lecture or note taking session (yes—you can and should also take notes from your textbook).
- Label each page with the date and a heading for each day.
- Focus on main points and try to use an outline format to take notes to capture key ideas and organize sub-points.
- Review and edit your notes shortly after class—at least within 24 hours—to make sure they make sense and that you've recorded core thoughts. You may also want to compare your notes with a study partner later to make sure neither of you have missed anything.



## Get a Study Partner

Having a study partner has so many benefits. First, he/she can help you keep your commitment to this class. By having set study dates, you can combine study and social time, and maybe even make it fun! In addition, you now have two sets of eyes and ears and two minds to help digest the information from lecture and from the text. Talk through concepts, compare notes, and quiz each other.

An obvious note: Don't take advantage of your study partner by skipping class or skipping study dates. You obviously won't have a study partner—or a friend—much longer if it's not a mutually beneficial arrangement!

**Helpful hint:** Take your text to lecture, and keep it open to the topics being discussed. You can take brief notes in your textbook margin or reference textbook pages in your notebook to help you study later.

## Getting the Most Out of Your Textbook

McGraw-Hill and the author of this book, Susan, have invested our time, research, and talents help you succeed as well. Our goal is to make learning—for you—easier.

Here's how:

*Patient Billing* includes many special features designed to help you master the NDCMedisoft billing software. The major features are the following:

The text/workbook is divided into two separate sections—tutorial and simulation.

The tutorial lets you learn the basic NDCMedisoft software features and the simulation helps you master the program. The tutorial thoroughly describes all of the NDCMedisoft options and features that relate to patient billing.

To help you understand these new concepts, the tutorial uses the Family Care Center as a realistic medical office setting in which you perform many of the tasks. Step-by-step instructions guide you through each new activity. Practice exercises begin with simple tasks and progress to more complex activities throughout the tutorial.

The tutorial includes many screen illustrations, source documents, and sample reports to reinforce the concepts introduced in the text/workbook.

Reminders or tips are placed throughout the tutorial. These tips identify shortcuts and list other helpful information for using the NDCMedisoft program more effectively.

As you work through a chapter, follow these steps:

- Read the text. Study the figures and screen illustrations that accompany the explanations of various topics.
- As you read, answer the Checkpoint questions that appear throughout the chapter. Write your answers in the text/workbook. Look back at the text if necessary to determine your answer.
- Throughout the tutorial, there are practice exercises that you must complete at the computer. Work through each practice exercise by

following the step-by-step instructions. The source documents referred to in the practice exercises are located at the back of the book beginning on page XXX.

- Do not skip any practice exercises. You must complete all of the exercises before you begin the simulation.
- If you experience difficulty completing a practice exercise, review the corresponding section in the tutorial and then try the exercise again.
- Complete the chapter review questions after you finish each chapter.

When you have finished Chapters 1 to 7, complete the Patient Billing Simulation by following the instructions beginning on page XXX of the text/workbook. The simulation lets you step into the role of billing assistant for the Family Care Center and apply what you learned in the tutorial the day-to-day activities of a medical practice. This also provides you with hands-on experience you can take with you into the job market!

# To the Instructor

*Patient Billing* provides your students with the opportunity to learn and perform the duties of a medical billing assistant, using NDCMedisoft, a computerized patient accounting program. Teaching students how to use a software application such as NDCMedisoft can be a challenging endeavor. For that reason, this text/workbook is accompanied by an Instructor's Manual that includes tips, suggestions, and comprehensive information for getting started with the NDCMedisoft program.

After you install the software and are ready for your students to begin using the NDCMedisoft program, you can rely on the manual for important information that you can use to help your students work through the tutorial. The manual includes chapter-by-chapter teaching suggestions, checkpoint answers, end-of-chapter solutions, and sample printouts corresponding to the practice exercises. Numerous printouts and solutions for the simulation are also provided so that you can check your students' work every step of the way or after they have finished the simulation.

An Instructor's Productivity Center CD-ROM is also included. The CD-ROM contains two tools to enhance the instructional process—an instructor's PowerPoint presentation of Chapters 1-7, and assessment software, an ExamView Pro Testbank that allows instructors to create, edit, and print customized tests for each chapter.

The CD-ROM also contains a series of end-of-chapter backup files for Chapters 1-7, the Appendix, and the Simulation. These backup files can be used to help teachers evaluate students' work at the end of each chapter. When all exercises for a chapter have been completed, by restoring the backup file for a given chapter, the instructor has easy access to the current state of the exercises. The backup files can also be provided to students who misplace or damage their NDCMedisoft working disk during the course of the semester.

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