Throughout your residency, you are taught to consider your patients as your number one priority. Your working conditions as a resident have been negotiated for you and your salary is stable and consistent, allowing you to focus on perfecting your skills and knowledge without worrying about billing. But once you finish residency and start your own practice, you will be faced with a new situation — you will still be perfecting your skills, but you will also have the responsibility for billing the Ministry of Health, and your staff will need to submit and reconcile those billings for you to be paid. Every patient, service, procedure and visit has a dollar value attached to it that will need to be billed. Each time you meet with a patient and each time you provide a medical service, you will have to think about how to do that effectively and efficiently, while remaining focused on your patients’ needs. Staying up to date with your provincial billing schedule will be integral to your success with billing.
Physician remuneration

Erin MacKay

Wondering how much you will earn when in practice? Here are the latest national average gross fee-for-service (FFS) salary statistics provided by the Canadian Institute for Health Information. Remember, this is average gross income — overhead and professional expenses must be paid to realize net before-tax income. Nationally, we know FFS billings represent 80% of total clinical payments. These statistics include only physicians who received at least $60,000 in payments. Please note that such a low baseline reduces what would be a more realistic mean or average gross billing for a full-time equivalent physician.

### Average Gross Fee-for-Service Payment per Physician Who Received at Least $60,000 in Payments, by Physician Specialty and Province, 2012–2013

<table>
<thead>
<tr>
<th>Specialty</th>
<th>NL</th>
<th>PEI</th>
<th>NS</th>
<th>NB</th>
<th>QC</th>
<th>ON</th>
<th>MB</th>
<th>SK</th>
<th>AB</th>
<th>BC</th>
<th>Provincial average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Medicine</td>
<td>257,755</td>
<td>241,279</td>
<td>211,218</td>
<td>246,156</td>
<td>213,973</td>
<td>236,688</td>
<td>272,702</td>
<td>301,923</td>
<td>324,656</td>
<td>238,576</td>
<td>247,490</td>
</tr>
<tr>
<td>Medical Specialities</td>
<td>367,028</td>
<td>254,656</td>
<td>277,534</td>
<td>328,006</td>
<td>260,996</td>
<td>353,145</td>
<td>287,367</td>
<td>363,352</td>
<td>409,140</td>
<td>295,539</td>
<td>323,755</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>494,156</td>
<td>356,761</td>
<td>275,300</td>
<td>433,810</td>
<td>299,321</td>
<td>420,609</td>
<td>317,997</td>
<td>435,875</td>
<td>512,006</td>
<td>389,255</td>
<td>384,082</td>
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<tr>
<td>Neurology</td>
<td>241,630</td>
<td>*</td>
<td>378,793</td>
<td>409,017</td>
<td>251,087</td>
<td>316,430</td>
<td>219,233</td>
<td>332,988</td>
<td>389,742</td>
<td>282,074</td>
<td>294,258</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>277,767</td>
<td>284,226</td>
<td>169,676</td>
<td>187,287</td>
<td>186,830</td>
<td>244,842</td>
<td>209,625</td>
<td>283,428</td>
<td>327,902</td>
<td>210,833</td>
<td>232,966</td>
</tr>
<tr>
<td>Dermatology</td>
<td>754,857</td>
<td>n/a</td>
<td>357,833</td>
<td>499,679</td>
<td>295,519</td>
<td>404,835</td>
<td>589,915</td>
<td>*</td>
<td>773,101</td>
<td>313,600</td>
<td>410,451</td>
</tr>
<tr>
<td>Physical Medicine</td>
<td>n/a</td>
<td>n/a</td>
<td>*</td>
<td>*</td>
<td>247,457</td>
<td>262,325</td>
<td>287,620</td>
<td>*</td>
<td>346,057</td>
<td>236,647</td>
<td>270,625</td>
</tr>
<tr>
<td>Anesthesia</td>
<td>255,548</td>
<td>138,402</td>
<td>331,519</td>
<td>245,492</td>
<td>273,360</td>
<td>380,919</td>
<td>302,106</td>
<td>322,112</td>
<td>393,031</td>
<td>284,197</td>
<td>335,371</td>
</tr>
<tr>
<td>Surgical Specialties</td>
<td>424,585</td>
<td>376,451</td>
<td>378,182</td>
<td>420,164</td>
<td>373,883</td>
<td>459,026</td>
<td>418,756</td>
<td>564,726</td>
<td>595,042</td>
<td>438,108</td>
<td>446,138</td>
</tr>
<tr>
<td>General Surgery</td>
<td>371,885</td>
<td>326,007</td>
<td>327,302</td>
<td>401,345</td>
<td>322,539</td>
<td>420,938</td>
<td>381,056</td>
<td>433,175</td>
<td>516,880</td>
<td>385,538</td>
<td>394,806</td>
</tr>
<tr>
<td>Thoracic/Cardiovascular Surgery</td>
<td>123,185</td>
<td>n/a</td>
<td>305,535</td>
<td>444,905</td>
<td>459,361</td>
<td>504,829</td>
<td>471,360</td>
<td>860,705</td>
<td>680,264</td>
<td>403,173</td>
<td>480,136</td>
</tr>
<tr>
<td>Urology</td>
<td>417,960</td>
<td>*</td>
<td>482,899</td>
<td>423,959</td>
<td>382,504</td>
<td>445,561</td>
<td>377,248</td>
<td>516,197</td>
<td>638,852</td>
<td>441,820</td>
<td>441,528</td>
</tr>
<tr>
<td>Orthopedic Surgery</td>
<td>408,720</td>
<td>489,852</td>
<td>317,764</td>
<td>368,992</td>
<td>312,588</td>
<td>415,562</td>
<td>386,520</td>
<td>576,524</td>
<td>487,399</td>
<td>325,878</td>
<td>388,308</td>
</tr>
<tr>
<td>Plastic Surgery</td>
<td>539,183</td>
<td>n/a</td>
<td>328,430</td>
<td>390,688</td>
<td>281,901</td>
<td>342,006</td>
<td>489,902</td>
<td>436,684</td>
<td>508,205</td>
<td>341,399</td>
<td>357,024</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>*</td>
<td>n/a</td>
<td>*</td>
<td>n/a</td>
<td>277,846</td>
<td>500,281</td>
<td>*</td>
<td>572,936</td>
<td>101,140</td>
<td>458,076</td>
<td>401,491</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>630,024</td>
<td>638,710</td>
<td>600,577</td>
<td>765,388</td>
<td>538,342</td>
<td>668,955</td>
<td>674,245</td>
<td>1,093,261</td>
<td>1,047,914</td>
<td>767,276</td>
<td>701,143</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>605,827</td>
<td>*</td>
<td>337,023</td>
<td>444,781</td>
<td>333,654</td>
<td>413,795</td>
<td>320,837</td>
<td>544,236</td>
<td>599,946</td>
<td>409,358</td>
<td>410,591</td>
</tr>
<tr>
<td>Obstetrics/Gynecology</td>
<td>314,792</td>
<td>204,719</td>
<td>300,096</td>
<td>277,407</td>
<td>397,591</td>
<td>443,200</td>
<td>376,712</td>
<td>430,418</td>
<td>490,085</td>
<td>346,057</td>
<td>412,798</td>
</tr>
<tr>
<td>Total Specialties</td>
<td>391,429</td>
<td>306,327</td>
<td>336,691</td>
<td>371,681</td>
<td>296,713</td>
<td>386,284</td>
<td>329,336</td>
<td>441,081</td>
<td>472,018</td>
<td>343,389</td>
<td>364,173</td>
</tr>
<tr>
<td>Total Physicians</td>
<td>312,610</td>
<td>267,141</td>
<td>263,901</td>
<td>305,196</td>
<td>256,926</td>
<td>321,223</td>
<td>303,105</td>
<td>363,833</td>
<td>381,279</td>
<td>283,992</td>
<td>305,869</td>
</tr>
</tbody>
</table>

Notes
* Data was suppressed—please see the Methodological Notes, Data Suppression section, for details.
na: not applicable—there were no physicians for this specialty for this province.
Based on gross payments.
Alternative forms of reimbursement, such as salary and capitation, are not included.

1. Table A.5.1: Average Gross Fee-for-Service Payment per Physician Who Received at Least $60,000 in Payments by Physician Specialty and Province, 2012–2013. National Physician Database 2012–2013—Data Release, Canadian Institute for Health Information.
Uninsured services

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program

Many physicians feel uncomfortable billing for uninsured or delisted services. After all, what’s one doctor’s note here or one phone prescription renewal there? They may not seem significant on a one-off basis, but the reality is that these “small” uninsured services can represent a significant amount of the daily activity in your practice. In many cases, physicians are not otherwise remunerated for this work. Meanwhile, the costs of maintaining a practice continue to rise.

Bear in mind that your signature represents a professional opinion or endorsement; because you are accountable and liable for anything you sign, your signature is of value, even if it takes very little time to produce it.

POINT-OF-SERVICE BILLING
Point-of-service or “as needed” billing means your patients will pay for services when they use them. The upside of this approach is that you will receive payment at the time of service, without any accounts receivable. Offering patients the option of paying by debit or credit card makes point-of-service billing very efficient and effective.

BLOCK-FEE BILLING
Block-fee billing is the term used for bundling a number of uninsured services together and offering one set price for the use of any of those services within a one-year period. This reduces the daily workload on your staff, cuts down on having to ask patients for money with each service (you will only need to ask them once per year, rather than with every service performed) and reduces the need for cash on your premises. There are companies that can manage uninsured service billings on your behalf, taking on the financial and administrative burden and retaining a percentage of the total. However, you must ensure you are dealing with a reputable company that values privacy and operates with integrity.

Is it worth it? Studies show that usually only about 30% of patients agree to enroll in a block-fee program. Block fees can never be mandatory or seen as coercive, and every provincial College agrees that patients must have the option to opt in or out of this type of service. But consider the work that other health-related professionals perform. Dentists, chiropractors and massage therapists have charged patients directly for their services for years.

Physicians need to examine the benefits of billing for uninsured services. For example, if you could generate an extra $18,000 per year by billing for uninsured services, you would be in a position to reinvest that money into your practice. Perhaps it could help you to pay for an electronic medical record system, pay your staff more or upgrade some equipment. Keep in mind that the salary statistics presented in Physician Remuneration on page 36 do not reflect money physicians earned with uninsured services.
The following offers some helpful explanations of billing mechanics.

1. Billing documentation
This is the process by which the physician and staff capture and document all possible billable services for submission to the Ministry of Health (MoH). Forgetting to bill for one patient visit each regular office day in a general practitioner’s office in a fee-for-service environment could result in a loss of about $6,600 per year or more. This results in a loss of more than 8% of gross income and 12% of net before-tax income.

To avoid errors and omissions:
- Use a hard copy or computer desktop billing day sheet listing patients seen, allowing you to easily see that an encounter has been billed. This is an invaluable tool for physicians even if an electronic medical record (EMR) is used. Have this prepared daily by your staff for your completion or understand how it is presented in your EMR product. It is essential at the end of each day for the physician, nurse and reception/billing clerk to capture, review and reconcile all services (especially those delegated services provided by your nurse or technician) and cross-reference them with the appointment schedule and names of any patients granted last-minute appointments.
- Combine billing with medical record documentation. With EMR systems, you and your staff can document bills at the same time that your patient’s medical records are completed. At the end of the day, cross-reference the medical records with your billing day sheet.
- Consider an app for your smartphone or tablet that captures all services you deliver when you are out of the office, such as when you are on call or at the hospital. Out-of-office work is a frequent source of lost billings.
2. Medical records and billing
Your medical records must stand alone, without your interpretation, to justify the bills you submit to the health plan insurer. At any time, the MoH can request copies of the clinical records that correspond to the bills you submit. Be honest and accountable. A good practice may be to document billing codes in your progress notes.

3. Billing submission
Most physicians should submit billings daily, or at least three times per week. Some specialists, such as surgeons, tend to submit billings less often due to lower volume. Once you and your staff have accounted for all of the appropriate billing codes for every patient, submit the bills to the MoH. In most provinces and territories, this is done by electronic data transfer (EDT), either web-based or over a modem. Electronic submission allows the MoH to review all submissions and quickly verify which, if any, are not accepted. Thus, the next time your staff go online, they can check which bills from the last submission were rejected, pull the charts, correct the errors that the MoH has identified with explanatory codes and then resubmit the corrected bill so you are paid within the same billing period. This reconciliation, or comparison, is important to ensure you receive remuneration for all services provided.

4. Remittance
This is the process by which the MoH or other responsible payer remits payment to you. MoH payments are generally made by automatic deposit into your designated bank account. However, you will receive an electronic remittance advice document that you must reconcile.

5. Remittance review and reconciliation
Your computerized billing program will automatically reconcile or compare your billing submissions with the corresponding remittance records from the MoH. Pay careful attention to what isn’t paid, and why. Failure to correct unpaid remittances before their stale date may result in lost income for work you have performed and procedures for which you are legally responsible.

6. Billing period
Depending on the province, the MoH pays physicians either once or twice monthly. Billings you submit for services rendered up until the cut-off date of any billing period will generally be paid within one or two billing cycles. This means that your accounts receivable (monies owed to you) can sometimes take four to six weeks to be settled.

7. Submission time limits
In most provinces, physicians have to submit a bill for services rendered within three to six months of performing the service. Those who fail to do so will not be paid. This omission commonly happens when a physician fails to record and hand over to the billing staff the record of services performed outside the office (e.g., when on call). Many physicians scribble patient information from the hospital visit on a card and then forget to empty their purses or wallets until it is too late to submit the bill.

8. Reciprocal billing
What if the patient is from another province? In such cases, it is essential to have the patient present a valid provincial health card and verify the party responsible for payment. All provinces and territories except Quebec have a reciprocal billing arrangement, so you can use your billing program to submit the bill to your provincial MoH using the patient’s provincial health card number. You will be paid according to the fees of your province, not those of the patient’s home province.

Quebec physicians seeing out-of-province patients face the same scenario and will most likely exercise the first option.

IF YOU WORK OUTSIDE QUEBEC AND TREAT A RESIDENT OF QUEBEC, YOU HAVE THE FOLLOWING OPTIONS

- **Bill these patients directly.** Give them a receipt and record of services provided, and they can submit for reimbursement from the Régie de l’assurance maladie du Quebec (RAMQ). You can give these patients a specific form that you can download from the RAMQ; the Application for Reimbursement — Health Care Services Insured Outside Quebec is available in English and French. Patients can complete this form without the assistance of your office staff. This is the billing option most physicians use. You have the option to charge using the RAMQ, MoH or provincial medical association fee schedule amounts. Remember that, if you are charging above RAMQ rates, patients will only be reimbursed the amount paid for the equivalent service in Quebec.

- **Submit an Out of Province Claim Form** to the RAMQ for reimbursement. This form will need to be signed by the patient and sent to the RAMQ by your office. You will need to record the patient’s health card number and give details of the services provided. The RAMQ will pay you directly by cheque. This is not an ideal situation, as it creates extra paperwork for your staff and can result in significant payment delays.

- **Register with the RAMQ** and obtain a billing number so you can submit accounts directly to the Quebec MoH, which will remit payment to you. This option is most often exercised by physicians who work near the provincial border and see a significant number of patients from Quebec.
Organizing your billing

Dr. Darren Larsen, Physician Presenter,
Practice Management Curriculum Program

FAST TRACK

- Even if you appoint your staff or an outside company to manage your billing, ultimately you are responsible for it. After all, it’s your own financial future at stake.
- Taking the time to study the billing guides for your province or territory, learning the most common codes and the rules for their use will pay off for you at the end of the day.

Before getting your professional licence, you will need to decide who will manage your billing. In terms of billing itself, there are three ways the work can be accomplished:

1. Do it yourself using your own billing software or the functionality built into your EMR;
2. Subcontract some or all of the work to a specialized billing agency, or
3. Assign the task to support staff members who can do submissions for you.

With the multitude of different types of practice sites, it is becoming increasingly common to see physicians use more than one billing option. For example, private practice services can be billed by a medical secretary, while work done in a hospital can be billed by an agency. Which is the best option, or combination of options, for you? Deciding how to organize billing will require you to make decisions that may have a huge impact on your revenue and the amount of time you spend on administration. Of course, you can always make changes at any time if you decide to have someone else do your billing or, conversely, if you decide to take on the responsibility yourself.

CHOOSING BILLING SOFTWARE

If you opt to tackle your own billing, you will need good billing software and plenty of time to read your collective agreements and fee schedules. There are dozens of billing programs available in each province and territory, each claiming to be the right one for you and your associates. Of course, rating software is somewhat subjective; however, reputable companies that offer the best products are easy to spot. Not only do they constantly update their software, but they also have support staff available to provide assistance and respond to your questions. Good billing software should be highly effective in validating data, picking up billing errors on the fly as you enter bills. Such errors include incorrect health card numbers, nonexistent fee codes, codes for non-billable medical procedures, incorrect hospital codes or scheduling slots inconsistent with your method of remuneration, to name a few.

Billing software will cost you and your associates anywhere from a few hundred to a few thousand dollars per year. Since a higher price doesn’t always mean a better product when it comes to software, don’t base your purchase decision on price alone. By the same token, don’t hesitate to pay a bit more for first-rate software; the price will be worth it in both the short- and long-run. Your provincial or territorial medical association should be able to advise you as to what major billing software providers
are in your area. Also, billing software is completely integrated in every provincially certified electronic medical record clinical management system, so does not have to be purchased separately.

WHO DOES THE BILLING?
The responsibility of capturing all of the billing rests on the shoulders of you and your trusted staff, and it is good practice to bill each patient as soon as you finish the chart. This accomplishes two things — smaller billed items are less likely to be forgotten when the service is fresh in your mind, and patients who may have been added to your day list during your clinical time will not be missed. Your staff and support team help you close the billing loop by double-checking each day that you have captured and noted the bills for all the services and procedures you performed or delegated to your nurse or technician. Your staff then submits claims and reconciles them when they come back from the Ministry of Health (MoH), Workers’ Compensation Board or private payer. Your staff should then review with you all aged accounts receivable so resubmissions for overdue accounts can be made as soon as possible. There may be a date beyond which the bill cannot be resubmitted (six months in many jurisdictions). You must stay up to date with your fee schedule and read all fee update bulletins because fees do change, new services are often added and some previously insured services are being delisted. This can be done quickly and the financial benefits are profound.

Delegating the task of staying up to date with the fee schedule to staff or a billing agent is, in fact, abdicating your personal responsibility. You should do your billing; your staff or agent is there to help you close the loop. Remember, as per our Receiving What You’ve Earned example on page 42, forgetting to bill $24,000 per year translates into $480,000 over 20 years, an amount similar to what you need for your registered retirement savings plan (RRSP) contributions over the same time. Ask yourself, “Can I afford that?”

ADMINISTRATIVE STAFF
Your administrative staff can be critical to your success with the billing process, but only if you adopt a team approach. As with the do-it-yourself billing method, you will require a detailed knowledge of the fee schedule and its rules. You will still be responsible for billing, but you will have the administrative support of your staff members, who can submit billings on your behalf and reconcile them later in the process. They will require sufficient and ongoing training and support to help you to maximize your billing potential. Keep in mind that your personal income is on the line, so ensure that your staff members have the tools and training they need to help make it a success. Be aware that some hospitals or clinics will try to include a billing clause in your lease or employment contract, stating that your billing must be done by their staff. Don’t limit your options by agreeing to a clause like this — it’s your own financial security at stake.

BILLING AGENCIES
Billing agencies are to your billing what tax accountants are to your tax return — experts you hire to do a job to the best of their ability and knowledge. This agent has a vested interest in collecting all billings submitted under your number and will know the latest changes to the fee schedule. The cost of the service is reasonable and tax deductible. Every medical association should have a list of billing agents used by their members. Some agencies offer a basic service, while others will look after all of your billing, from data entry to rebilling and reconciliation, ensuring the accuracy of your coding and offering advice on how to maximize your revenue. Despite what some salespeople may have you believe, it is impossible to acquire overnight all the expertise needed to effectively provide billing services for several physicians at the same time. Again, your financial future is at stake, so your interests must come first. As such, don’t feel guilty about refusing to hand your billing over to your colleague’s spouse or the nurse in your department. After all, a good billing agency is a full-time endeavour. Make sure your agency has the staff required to take on your billing if the manager falls ill or goes on vacation. In the end, regardless of who enters your billing codes, you must take accountability and ownership of how your billing is managed. Stay up to date on billing fees, read bulletins, attend seminars and take advantage of the learning opportunities presented to you. As well, the billing agent can only work on the information you have provided, so accurate documentation and billing sheet use is necessary.

HOW THEY WORK
Billing agencies generally charge between 1.5% and 4% of your gross fees for their work. Some agencies charge a set amount per medical procedure and others have fixed hourly rates or a fixed rate per bill. All are acceptable options. Billing agencies cannot deduct their fees directly from your revenues; rather, your agency will send you a monthly or quarterly invoice that you must pay as per the agreed-upon terms and conditions, and their services are subject to GST/HST.

Your billing staff or agents will close the billing loop with the following process:
1. They will require demographic information about the patient, their provincial health card number, the service or procedural codes, the diagnosis and the referring physician.
2. In some cases, you may be required to also provide details of the institution, admission date or time a particular service was performed. Your billing agent will tell you the requirements for your field of practice.
3. The information is faxed to the agency (or picked up) on the basis of a predeter-
4. These completed requests are then forwarded for payment to the MoH, which will pay you in the weeks to follow.
5. The agency receives a remittance statement in your name and must reconcile the amounts billed with the amounts received. In the case of an error, certain procedures must be rebilled. The reconcile-

The lesson here? Make sure your agency doesn’t just “talk the talk,” but “walks the walk” too. 🤔
Receiving what you’ve earned

Dr. Darren Larsen, Physician Presenter, Practice Management Curriculum Program

Research by the Canadian Medical Association indicates that physicians, on average, fail to bill for at least 5% of the insured services they provide. Thus, it is evident that all physicians have a vested interest in ensuring their billing practices are effective and efficient. Take these three points to heart: learn your specialty-specific fee schedule, stay up to date and take the time to carefully read the MoH bulletins, because fees and codes can, and do, change. This is your professional — and personal — livelihood at stake. Only delegate this task to someone you can trust, someone who has a vested interest in your success and someone who will promptly advise you of changes.