

The Financial Planner's Guide to Revenue Defense

Here are three non-clinical tactics podiatrists must use to win the battle against payer denials.

BY ALISON PERRIN, CFP

For independent podiatric practices, commitment to exceptional patient care is often betrayed by the chaotic reality of revenue cycle management (RCM). While clinical skill determines patient outcomes, non-clinical strategy dictates financial outcomes. Insurance claim denials are not random errors; they are a sophisticated, strategic tactic used by private payers to retain capital and delay legitimate payment. The failure to collect earned revenue is the single greatest threat to a podiatrist's financial independence.

To combat this systemic pressure, podiatric practice owners must stop viewing billing as a reactive administrative chore and start treating it as a financial defense strategy. This guide outlines three core, non-clinical areas that separate financially secure prac-

tices from those perpetually struggling with cash flow.

1) Administrative Fortification—Stopping Revenue Leakage at the Point of Service

The most effective denial management is denial prevention. By implementing meticulous, system-based checks before the patient ever walks into the exam room, the practice significantly reduces the high cost and administrative drag of claim re-work. This proactive approach turns administrative staff into the practice's first line of financial defense.

The True Cost of a Denial

Many practices track their denial rate, but few truly understand the catastrophic time-sink and revenue leakage denials represent. The true cost is not just the lost \$100 claim; it is the administrative time needed to fight for it.

"When we ran the numbers, we realized our in-house biller was spending over half her week just trying to reverse denials for minor errors like missing modifiers or pre-auth lapses. That time sink is the true cost, not the claim amount itself. It's what drives staff burnout and halts the momentum of the entire practice."—Gordon Fosdick, DPM, Multi-Location Practice Owner



Dr. Fosdick

Actionable Insight: The goal is not collection; the goal is prevention. Eliminate the time-sink by preventing the initial denial.

Perfecting Eligibility and Benefits Verification

A high percentage of denials stem from issues that are entirely preventable, such as terminated policies, coordination of benefits conflicts, or lapsed authorizations. For the podiatrist, detailed verification is non-negotiable, particularly given the frequent use of procedures requiring specific pre-authorization, such as advanced wound care or certain surgical interventions.

Effective verification must move beyond a simple "active policy" check. It requires detailed confirmation of eligibility and benefits (E&B) for the specific service being rendered. The

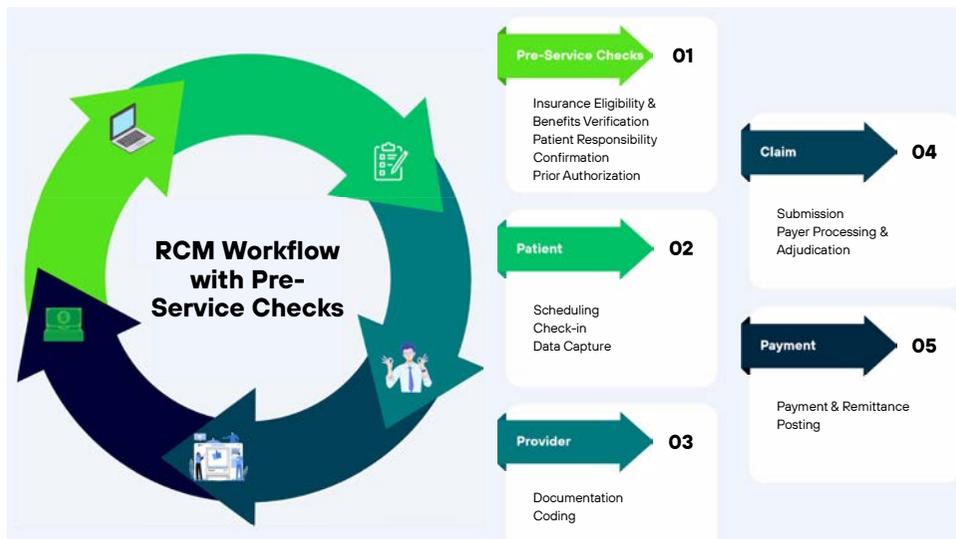


Figure 1: A typical revenue cycle management (RCM) workflow emphasizing the critical pre-service checks.

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administrative team must secure written or logged verification that includes:

- Payer ID, Group ID, and Member ID: Confirmation that the data matches the patient file precisely.
- Deductible Status: Total deductible, amount met, and remaining liability.
- Co-pay/Co-insurance: The specific financial responsibility of the patient for the scheduled service code (e.g., CPT 99213 or a specific surgical CPT).

- Authorization Requirement: Clear documentation of whether a prior authorization is necessary for the service and the date it was secured.

Meticulous Documentation: The Link to Financial Necessity

While clinical documentation falls under the physician’s responsibility, its financial impact is an administrative concern. Every denied claim is a failure to link the CPT code (the procedure) with the ICD-10 code (the medical necessity) in a way the payer accepts. Podiatric documentation must be clear on chronicity, failure of prior treatments, and necessity relative to the patient’s functional status.

2) The Business of Credentialing and Strategic Enrollment

For a burgeoning multi-location or solo practice, nothing blocks cash flow faster than incorrect or lapse credentialing. Credentialing—verifying your professional qualifications—is often confused with Payer Enrollment—securing a contract and a provider number to bill.

Incorrect credentialing is the #1 blocker to practice cash flow in the first six months, leading to thousands of dollars in claims being denied as “non-par” (non-participating). This issue is magnified when adding new locations or bringing on associates.

“Expanding to a second location

Denial Percentage by Payer

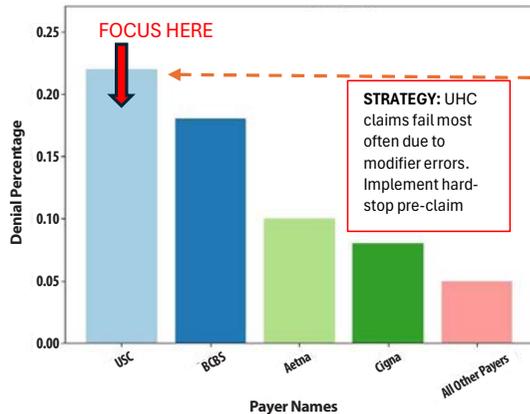


Figure 2 Payer Denial Profiling: Identifying High-Risk Areas Denial Percentage by Segment (Donut)

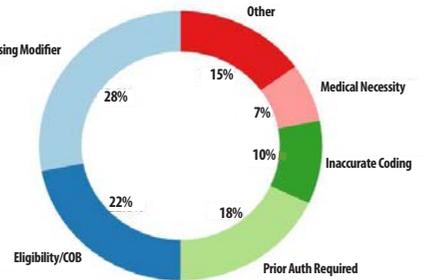


Figure 2: Example of Payer Denial Profiling, illustrating the concentration of denials across different payer groups and service codes.

nearly bankrupted us because we were delayed three months on payer enrollment for the new address and NPI. I learned the hard way that ongoing enrollment and maintenance, especially when dealing with multiple physical addresses and NPIs, is the single biggest gatekeeper to stable cash flow. You can’t afford to treat it as a one-time setup task.”—Dr. Gordon Fosdick

Actionable Insight: Start the enrollment process 90-120 days before any go-live date. Assign one person the singular responsibility of ongoing enrollment maintenance to prevent sudden payment stops.

Appeals as a Strategic Profit Center

Most practices treat appeals as a painful, low-priority task, often writing off claims after the first denial. This is precisely what payers rely on. A financially disciplined practice views the appeals process as a structured profit center.

The Cost of Inaction: Given the cost of rework (which can range from \$25 to over \$180 per claim), many practices stop after one or two appeals. However, expert analysis shows that a structured, persistent approach to appeals often yields payment. The decision to pursue an appeal should be based on the potential collected amount versus the estimated administrative effort, not based on the convenience of the administrative staff. For high-value procedures, a four-level appeal process is often necessary and highly profitable.

RCM Success Story: One client,

dealing with a complex surgical denial, had written off a five-figure payment after the first rejection. By implementing a focused, four-level appeal process, we not only secured the full payout but forced the payer to correct their internal policy review, which subsequently secured dozens of similar future claims. This success story fundamentally changed their RCM philosophy, demonstrating that persistence is profitable.

3) The Financial Defense Mindset—Structuring for Scalable Success

The final, and most critical, non-clinical tactic is adopting a financial planning mindset toward the entire practice. This involves structural changes that separate clinical focus from administrative risk.

Implementing Revenue Defense Strategies

Revenue Defense is a strategic system designed to ensure every dollar earned is meticulously collected, freeing the podiatrist to focus entirely on patient care and clinical growth. This strategy requires two main components:

- Front-End Defense: Rigorous, pre-service checks: confirming eligibility, verifying specific benefits for procedures, and securing authorizations before the service is rendered. This is where up to 80% of denials are prevented.

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- **Back-End Accountability:** Claims that slip through must be fought aggressively. This involves specialized personnel who focus only on complex appeals and identifying systemic denial patterns.

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The Data-Driven Counterattack: Payer Profiling

Once a claim leaves the practice, the focus shifts to data-driven accountability. A successful practice manages its RCM using the strategic Key Performance Indicators (KPIs) of a financial organization.

Payer Profiling involves using data to identify which payers or specific codes are most prone to denial. Podiatrists can leverage this information to adjust pre-authorization requirements or improve documentation tailored to the most problematic payers. For example, if Payer X consistently denies a specific durable medical equipment (DME) code, the practice can increase its documentation burden for that payer before submission.

Strategic Partnering: Outsourcing the Fight

For many independent podiatry practices, achieving world-class RCM internally is not feasible due to the cost of specialized staff. This is the moment to employ the most effective strategic defense: partnering with a Revenue Defense specialist.

“My biggest shift was realizing I needed a dedicated Revenue Defense strategy, not just a billing clerk. I’m a doctor, not an insurance fighter. Outsourcing the complex RCM struggle to a specialist partner wasn’t an expense; it was an investment that gave me back the time to focus on growth, expansion, and high-quality patient care. That’s the secret to autonomy.”—Dr. Gordon Fosdick

Conclusion

Financial defense is what buys you clinical freedom. By prioritizing meticulous front-end checks, diligent credentialing, and ruthless claims follow-up, you secure the predictable cash flow necessary to run an independent practice on your terms. **PM**

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Alison S. Perrin is the CEO of Legacy Practice Solutions, LLC, where she leverages over two decades as a Certified Financial Planner Professional (CFP®) to empower independent doctors and dentists. Her unique expertise lies in transforming

practice finances by building rock-solid Revenue Defense systems, meticulously resolving complex insurance denials, and providing strategic guidance to ensure practitioners reclaim their time and financial freedom.