

# Using Third Party Billing Companies

8/21/2025

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# Objective

Medicare providers frequently outsource their billing, financial, and enrollment services. This webinar highlights the need to contract with CMS-approved entities and ensure these contracts include measures to protect PII and PHI.



# Today's Presenters

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# Agenda

- [Define Third-Party Companies](#)
- [Medicare Provider Legal Responsibilities](#)
- [Identified Trends and Provider Impact](#)
- [Questions for Third-Party Companies](#)
- [Resources](#)

The background is a solid dark blue with a complex, abstract pattern of overlapping, semi-transparent geometric shapes in various shades of blue. These shapes include triangles, polygons, and curved forms, creating a layered, architectural effect. The text is centered horizontally and vertically in a clean, white, sans-serif font.

Define Third Party Companies

# Define Third Party Companies

- A third party company, or third party representative, is an entity outside of your own organization that handles billing, invoicing, and payments of Medicare claims
  - Your organization will have a service contract with this entity to complete these duties
- Examples
  - Billing agencies
  - Clearinghouses
  - Software vendors
  - Auditing firms

# Medicare Provider Legal Responsibilities



# Legal Responsibilities

- Medicare providers are legally accountable for the actions of their employees and contracted companies
- Providers sign Medicare contracts, accepting full responsibility for claims and handling PHI
  - Enrollment forms
  - Claims submission
  - EDI

# Compliance Tips

- Tips for Medicare-enrolled providers to ensure they and their contractors adhere to Medicare guidelines
  - Step 1 – Identify how your third party entities protect your data
  - Step 2 – Discuss and document how they will meet timely and accurate claim, appeal, documentation submission
  - Step 3 – Determine your contractual charge structure
- CMS does not differentiate between providers and third party biller agencies

# CMS Approved Entities

- Many third party companies are reputable and knowledgeable
  - [Network Service Vendors](#)
  - [HETS 270 271 Approved Vendor List \(cms.gov\)](#)
  - [Compliance Review Program](#)

# Identified Trends and Provider Impact



# MAC Initiatives

- Take an active approach to identify high volume callers to reduce costs to the Medicare Trust Fund
  - Track high volume callers
  - Track data by NPI, PTAN, and call in phone numbers
  - Contact the billing provider when inappropriate trends detected
  - Offer feedback and education
  - After education, if provider still not compliant, report issue to CMS

# Problem Areas

- The phone number and contact person captured is unknown to the provider/group
- Third party callers state they do not have access to self-service tools
  - Callers use spreadsheets, not remittance advice
    - Do not have all required information
    - Are unaware of claim status
    - Use of self-service tools is required by CMS
      - [CMS IOM Publication 100-09, Medicare Administrative Contractor \(MAC\) Beneficiary and Provider Communications Manual, Chapter 6, Section 50 – 50.1](#)

# Problem Areas - continued

- Duplicate Billing
  - Claims are repeatedly billed with the same error
  - Providers should be verifying status before resubmitting a claim
- Clerical Errors
  - Provider names spelled incorrectly
  - Incorrect forms used
    - Appeal, reopening, ABN, etc.
- Scripted Calls/Written Inquiries
  - Examples
    - Asking for basic claim information that is available on the remittance
    - Asking for provider's mailing address
    - Asking for MAC mailing address, and provider submits electronic claims
    - Provider's EDI submitter ID when the provider is frequent biller

# Provider Impact

- Medicare-enrolled providers are accountable for the actions taken on their behalf by third party contractors
  - PHI breaches
  - Abusive billing practices
  - Missing Medicare timeliness requirements
    - Claim submission
    - Appeals
    - Overpayments
- These may result in
  - Delayed or no payment for Medicare claims
  - Risk of failing reviews and audits
  - Additional charges from their third party company
    - Phone calls
    - Claim submission
    - Appeals request



# Provider Impact

“MACs shall monitor their incoming calls for non-compliant callers who refuse to use self-service resources, who repeatedly ask same or similar questions despite educational efforts, or who are disrespectful to CSRs.”

- MACs may report to CMS for possible revocation of privileges
  - [CMS IOM, Publication 100-09, Medicare Administrative Contractor \(MAC\) Beneficiary and Provider Communications Manual, Chapter 6, Section 30.4](#)

# Questions for Third Party Companies

# Third Party Company Questions

- Who has access to beneficiary PHI
- Who accesses your claims
- Are there subcontractors
- How is beneficiary and provider data protected
- Are they sending information outside the USA

# Third Party Company Questions

- Who has access to your claims, PHI and PII
- Who is the point of contact for compliance concerns and questions
- How does the company charge the provider
  - Percentage per claim, per inquiry
  - Added or hidden charges
  - Are refunds recouped
  - Hourly amounts



# Third Party Company Questions

- Does their staff thoroughly review claims
- Do they have proper tools
- Is Medicare systems access removed for former staff members
- Is staff trained properly on Medicare rules and regulations
  - Contractor website, YouTube videos, other education, CBTs
- How is compliance enforced

# Resources

# Resources

- [U.S. Department of Health and Human Services](#)
  - HIPAA Privacy Rule Business Associates Guidance
- [Compliance Program Guidance for Third-Party Medical Billing Companies: Federal Register, Volume 63](#)
- MLN® Fact Sheet [Checking Medicare Eligibility](#)
- [Security Rule at 45 Code of Federal Regulations \(CFR\) 164.308\(a\)\(1\)\(ii\)\(A\) and \(a\)\(1\)\(ii\)\(B\)](#)
- [Medicare National Correct Coding Initiative \(NCCI\) Edits](#)
- MBI resources
  - [Providers and Office Managers](#)

# Resources

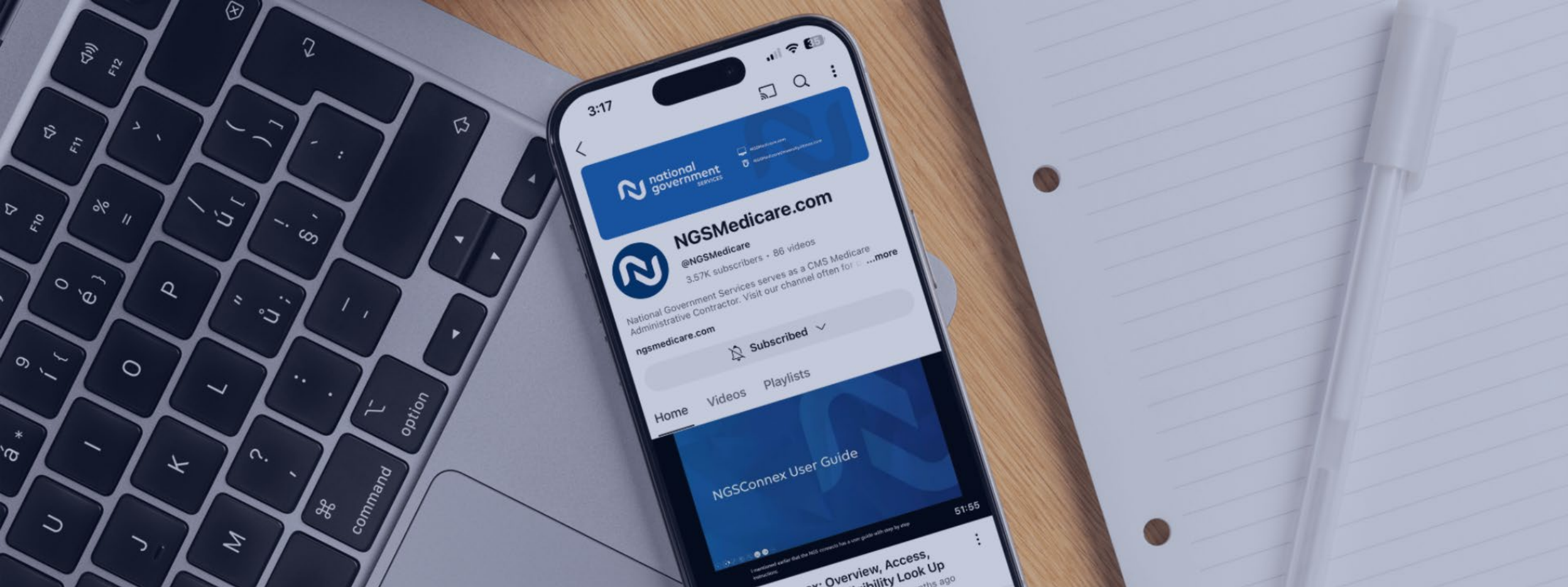
- Additional Resources
  - [CMS IOM Publication 100-02, Medicare Benefit Policy Manual, Chapter 15 – Covered Medical and Other Health Services](#)
  - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 17 – Drugs and Biologicals](#)
  - [CMS IOM Publication 100-08, Medicare Program Integrity Manual, Chapter 3 – Verifying Potential Errors and Taking Corrective Action](#)
  - [CMS IOM Publication 100-09, Medicare Administrative Contractor \(MAC\) Beneficiary and Provider Communications Manual, Chapter 6, Section 50 - PSS Technology](#)





# Questions?

Thank you!



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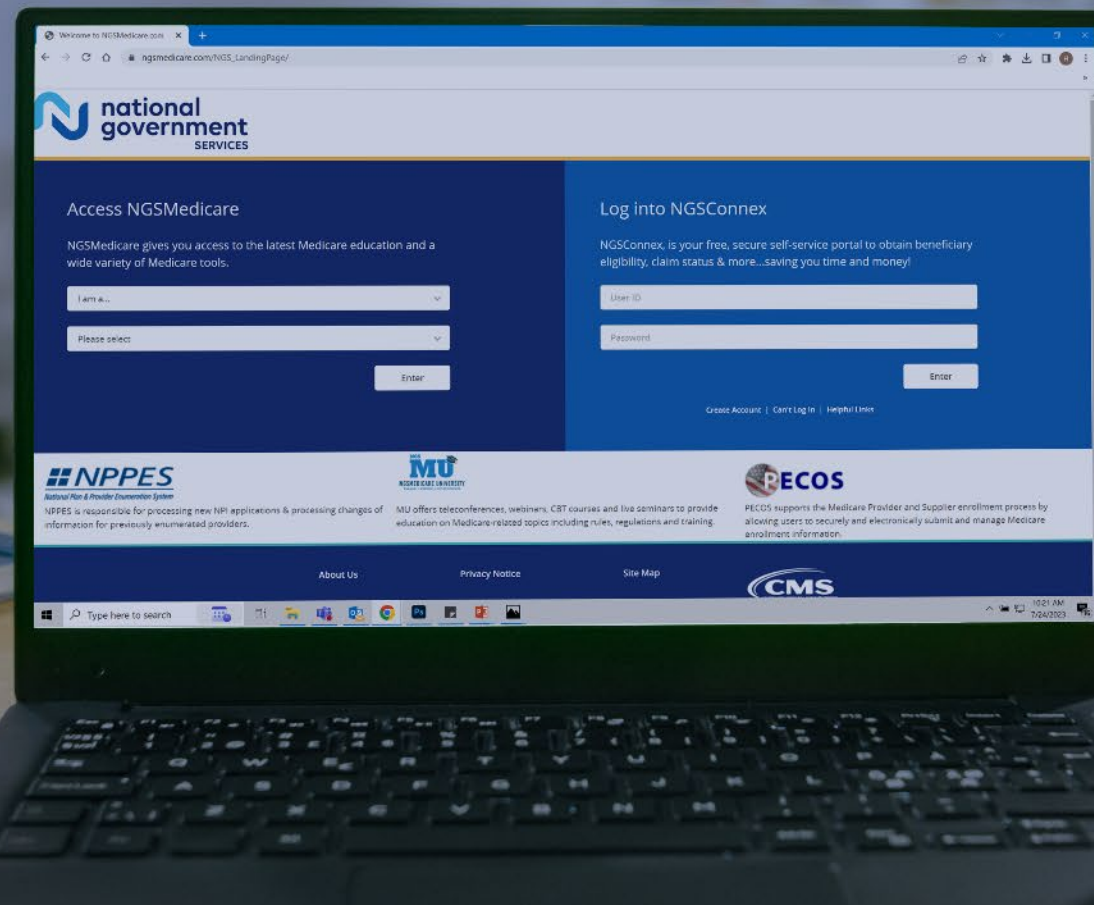
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