

# Is Your Firm Spending Too Much Time on Liens?

Get hours back for your team.

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When you look back at your reasons for going to law school, the chance to deal with healthcare liens probably wasn't anywhere on the list. Later, when you took on your first case, the thought of checking with Medicare before disbursing a settlement likely never crossed your mind.

But now you know that attorneys and legal staff spend untold hours sorting through healthcare reimbursement claims—time that could be devoted to client service and core case management. When handling injury-related settlements, in fact, attorneys often find that it takes as long to close a case as it did to litigate and/or negotiate it in the first place. This is especially true if they wait until a case settles before addressing the client's healthcare liens.

## Fortunately, there's a way to navigate around this time sink.

Thousands of firms have made the client-focused business decision to partner with specialized third-party companies that focus on healthcare lien resolution. These service providers work closely with Medicare, Medicaid and private insurers/healthcare providers to identify and resolve medical repayment obligations of all kinds.

Why do so many firms offload this part of the settlement process? A hypothetical example provides the answer.

OUR HYPOTHETICAL FIRM	
<u>Staff</u>	<u>Personal-Injury Caseload</u>
Attorneys: 5	Cases per year: 150
Paralegals: 4	Healthcare liens per case: 1.25
Assistants: 2	
<b>Total Staff: 11</b>	<b>Total Liens per Year: 188</b>

# First, let's see what it costs the firm to handle its healthcare lien and Medicare Set-Aside work in-house.

The costs fall into four categories:

1. Subject Matter Expertise
2. Resources
3. Administrative Help
4. Technology



# Subject Matter Expertise

The firm needs a subject matter expert (“SME”)—someone who knows the ins and outs of every type of healthcare lien. The firm assigns lien work to a **paralegal** at a salary of **\$50,000 plus benefits**. Additionally, the firm’s attorneys have a duty to supervise the paralegal, which means they need to stay updated on the ever-changing regulations surrounding liens and MSAs. The **attorneys dedicate a significant portion of their time** to these activities, as 20 percent of healthcare liens require researching the recovery contractor, analyzing the Summary Plan Description and determining viable options for securing additional reductions to the lien.



# Resources

Healthcare lien resolution requires attention to detail and well-defined processes.

## Intake & Document Review

- Various kinds of documentation need to be created and exchanged. Different lien types demand different kinds of documents.
- The risk of errors is high because each document is unique; no two have the exact same requirements. A lienholder may refuse to establish a case if certain documents are not provided. If documents aren't fully completed and correct, the lienholder will deny them and the lien can't progress until the firm provides a corrected version.

## Claims Audit & Disputes

- Listings of medical claims need to be updated every 90 days, at a minimum.
- The audit process includes reviewing medical records and associating claims with those records. For someone who is not an expert in medical coding, an audit can take two hours or more to complete.
- On average, 1.25 disputes are required to arrive at an accurate set of claims.
- Typically, a dispute requires a marked-up claims listing and supporting documentation. The firm also must ensure that the documentation is submitted to the correct lienholder department.

## Lien Negotiation & Finalization

- This process requires an in-depth review of the plan language and a detailed strategy for negotiating with the lienholder based on the facts of the case.
- The firm's SMEs must submit the right arguments and data points to ensure successful negotiations. A thorough understanding of relevant case law is essential.
- SMEs analyze the demand result to determine whether the lienholder applied all of the anticipated reductions.
- The firm needs to understand myriad cause-of-action scenarios as they carry different success rates, depending on the state and lienholder.
- It's important to be prepared to appeal the final result. This includes knowing what to argue and how to argue it, sending the appeal to the right entity, and ensuring that the proper documentation is submitted.

# Administrative Help

Administering the lien work itself is a full-time job for the paralegal, but the position has a high turnover rate. It costs the firm a substantial but unquantifiable amount of time and money to recruit and train a replacement every time a paralegal gets burned out.

**When a case is set up, the firm has to call the lienholder to establish the record, then obtain, complete and submit the proper authorizations.**

The average time for this call is 7.5 minutes. The average time to draft and sign the paperwork is 20 minutes. Typically, legal staff spends **40.5 minutes** making sure **a case** is set up properly.

**Every case where the client is entitled to benefits requires at least one audit.**

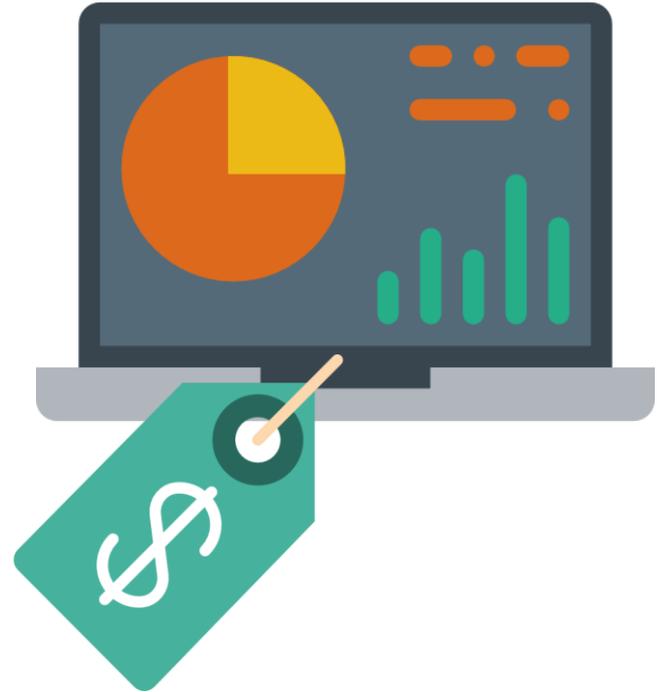
A typical audit can take more than two hours. The typical case file requires three audits. That's **six hours per case** just to ensure that the correct claims are included in the lien.

**The staff must process a great deal of inbound requests and correspondence for each case.**

For a traditional Medicare lien, the firm must intake and file a Medicare Secondary Payer Form, a Rights and Responsibilities Letter, a Conditional Payment Letter, one or more Updated Conditional Payment Letters, a Final Demand Letter, a Check Received Letter, and one or more Appeal Responses. On average, outbound and inbound fulfillment tasks take **2.5 hours per case**.

# Technology

Depending on how much work needs to be done, the firm spends **\$5,000–\$10,000 per year** to maintain its software and ensure that it can process liens and MSAs efficiently while staying in compliance with HIPAA rules. This cost increases significantly whenever hardware upgrades are needed.



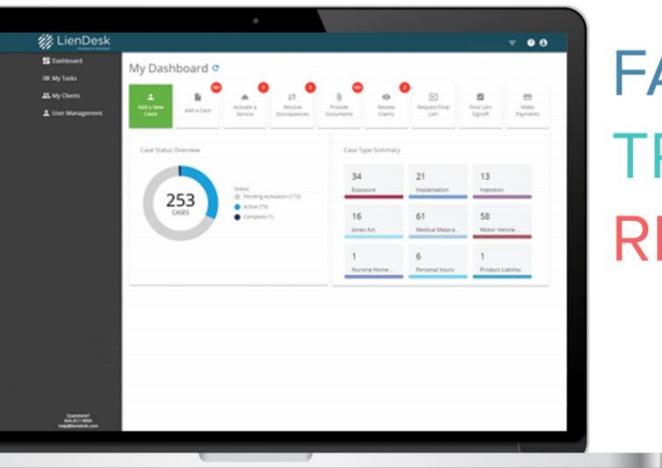
# All told, it costs the firm more than \$75,000 per year to process healthcare liens.

Partnering with Garretson can free valuable time for your team and save your firm considerable lien-related expenses. Your firm can incorporate our services into your daily routine and maintain full control of case resolution, while having the confidence that Garretson is with you every step of the way. You can rest easy knowing that every case is stamped with our healthcare compliance seal of approval. There is no annual fee to participate in any lien resolution program, and your team can monitor the progress of each case through LienDesk.

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