

Diagnostic Related Groups - DRGs

DRGs are well known in the medical field and in the insurance field. Unfortunately, it is a well kept secret away from chiropractors. Because of this much of the PI and GH work done paid less than what should have been charged for all the work done by the doctors. Consider this. If you have a serious PI case that you treat for 6 months and then release, your billing would probably be in the \$4,500+ region. Yet, how many times do you cut your bill, take less than you deserve, or just make the bill less to conform with what you have been told over and over again is exorbitant, unreasonable charges for a PI patient going to a chiropractic office?

Before you ask any further questions, find and read the PI Long Narrative on the CD. Especially turn to the last report page and read the section about DRGs. In that sample report you will find that the average cost for that sample patient for expected AVERAGE expenses ***if the patient had gone through the normal medical route of care*** would have exceeded \$12,000. The insurance companies know this but they won't tell you anything except that your bill is too high. The attorneys don't know this because they have no experience with it. In reality, how much do you actually save the insurance company in comparison to what they know they would have expected to pay if the patient had gone to the hospital instead of coming to you?

The US Federal government researched a huge sampling of hospitals in the country to find out what AVERAGE costs were for various similar groups of conditions treated in each US county. This information is published on the internet (read HCUP- DRGs) for details. Do a little bit of reading and understanding and start using this and giving your patient's attorney ammunition to fight this ridiculous claim of exorbitance.

The insurance companies are required to set aside (remember that term in the future) the funds stated by DRGs into a special escrow account that they can't touch until a case is settled. That represents the expected average cost for that DRG. If they settle for less they get to keep the difference as profit. If they have to settle for more they have to add money to cover the actual cost. It's a simple profit or loss situation.