

## **Everything You Ever Wanted To Know About LNC Billing**

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The most frequently asked question from LNC's is how much should I bill. In order to determine how much a LNC should bill for their services, one has to understand how the attorney bills.

### **Attorney Billing**

Plaintiff's attorneys take cases on a contingency fee which mean they do not get paid unless the case settles or they win at trial. Consequently, many plaintiff's attorneys have a problem with cash flow and it may be difficult to justify the expense of hiring a legal nurse consultant. Sometimes, plaintiffs (not the attorney) will pay their own expenses and will pay the cost of a legal nurse consultant. Another thing to remind the Plaintiff's attorney is that the legal nurse consultant's fee can be expensed to the client, if there is a settlement, therefore the attorney has nothing to lose but to try the LNC's services..

Defense attorney's get paid by the insurance company. There is a lot of competition among defense attorneys for insurance companies to hire them. Consequently, they reduce their rates to appear more competitive to the insurance company. One way for the LNC to obtain defense business is to have the attorney negotiate a special rate for the LNC rather than the paralegal rate. The attorney should bill the insurance company at a higher rate for LNC services than a paralegal.

### **In-House v Independent**

The next question many LNCs ask is should I go in house or be independent. There are pro's and con's to being an in-house LNC versus and independent LNC. An in-house LNC, will make less money but will have benefits, security and a consistent cash flow. Independent Legal Nurse Consultants will be able to make more money, have more flexibility over their working hours, but it may be difficult to obtain benefits and it does take a while to build a practice.

### **Setting Fees**

If the LNC decides to go independent, how much should one bill? The not so simple answer to the question of how much an LNC should charge for their services is whatever the market will bear. The LNC should see what other's charge in their area so that their rate can be competitive. Be careful not to undercut the competition because it only hurts the LNC. Attorneys will pay more if they trust the LNC, if they have been referred by another attorney or the LNC has delivered an excellent work product in the past. It is not advisable to give services away for free but offering a discount to gain their trust and show that the LNC can produce an excellent work product as recommended.

### **Accepting a Case**

When the LNC accepts a case, she should discuss caps and deadlines with the attorney. It is important for the LNC to take into consideration the attorney's budget in reviewing this case so the attorney does not get surprised by a bill. The cap should be the most the attorney wants to spend on the case. Coming in under the cap is always a bonus to the attorney. Also, deadlines are important so that the attorney gets the work when they want it or need it. If there is a rush deadline, the LNC may want to consider a rush fee. It is advisable for the LNC to put what they are going to do for the attorney and their fee agreement either in a letter or a contract so that both the LNC and the attorney have a mutual understanding of what will be done and what it will cost. The contract or letter should spell out what is included in the fee and if there is a separate fee for expenses or travel time. The LNC should also advise the attorney if they require a retainer or if there is a minimum fee to review a case. If a retainer (prepay) is required, the attorney should also be advised that if the retainer will not cover the cost of review that the attorney will receive an additional bill with the remainder. Furthermore, if the LNC is going to charge interest for late payment, the attorney should be advised of that fact.

### **Bills**

There are two types of billing: One is block billing, the other is detailed billing. Block billing puts everything the LNC has done for the case with the total actual amount of time. Detailed billing breaks down each segment of what is performed and the actual time expended and at the end, each segment of time is added for a total amount of time spent on the case. If something is done at no charge, such as organizing the records or research, this should be added to the billing with a notation of no charge. Attorneys love to get freebies.

### **Expert Fees**

Should the LNC choose to serve as an expert witness in a case, it is important that the LNC discuss their fees with the attorney prior to accepting the case. The testifying LNC also needs a contract or letter which specifies any retainers (prepayment required) and if additional fees will be incurred after the retainer. Some LNC's require the retainer to be replenished when it is depleted with another retainer, others continue to bill on an hourly basis and expect payment with the bill. The attorney should be responsible for travel and expenses. It is also prudent for the LNC to ask the attorney to pay for their ticket up front rather than seeking reimbursement later because the trial may be cancelled or settled and the LNC will not be out that expense awaiting for reimbursement. It is advisable not to schedule a deposition or trial without a retainer. The LNC may also want to include a cancellation policy which states that if a deposition or trial is cancelled within so many days, then there will be no refund of the retainer. The LNC should also make it clear that it is the hiring attorney's responsibility to pay for deposition time and to seek reimbursement from opposing counsel if it is opposing counsel's responsibility to pay. The most important thing is clear communication with the LNC and the attorney so each knows what to expect of the other. This will go a long way to avoid any questions regarding the bill and making sure that the LNC is paid in the timely manner.

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