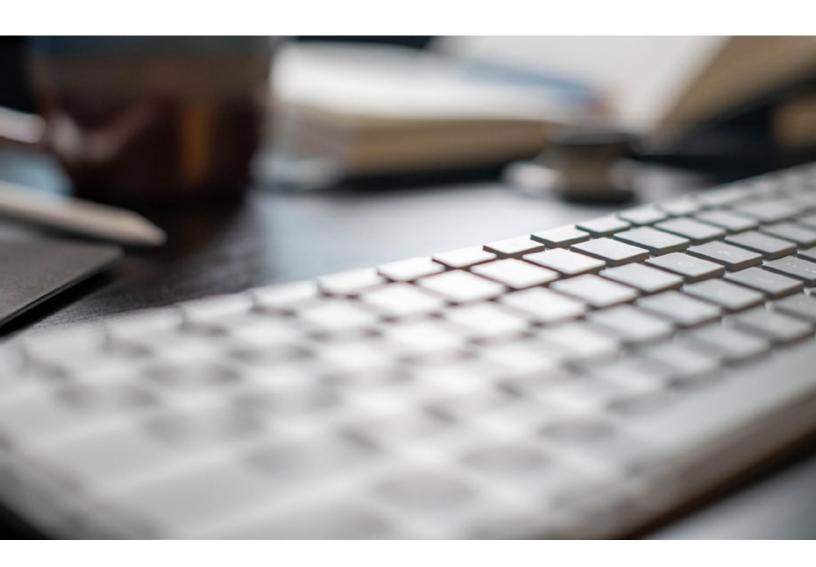# When & how to select a billing service

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The best medical billing services do far more than just process claims. They follow up with insurance companies, appealing denials, working rejections, no-pays and slow-pays. They offer tools designed to boost your revenue. Manage patient payment plans. Handle monthly statement cycles. Plus, provide solid insight into your practice's financial health.

Why outsource your billing?

Five trends are largely driving more and more practices to seek a third-party medical billing service:

1. Industry shift to higher deductibles insurance plans and rising unemployment

2. Increasing costs to run the practice

3. Increasing complexity and reduced reimbursements among insurance providers

4. Changing government regulations (Meaningful Use, ICD-10)

5. Evolving technology to keep up with these changes

Although insurance and government stipulations have arguably been made in the name of 'patient care', the overall effect is that it has forced physicians to spend more time on administrative functions, outcome and cost reporting, patient care coordination, and staying current with specific carrier filing requirements, leading to less time for staff and providers to spend on patient visits and growing the practice.

One of the more challenging revenue management tasks to hit the private physician more recently is the problem of collecting on patient payments.

"Now practices have to contend with collecting $1 of every $4 directly from patients," reports the MGMA in its April 2010 issue of Connexion magazine, based on research results collected in its Fall 2009 "Practice Perspective on Patient Payments" survey. Since then, high deductibles have only gone higher.

Collecting from self-pay, high deductible health plan(HDHP) patients is more difficult and time consuming than collecting from insurers. In fact, in 2011, 49.1% of respondents in the annual MGMA Medical Practice Today survey reported patient collections were "a considerable or extreme challenge" for their practice.

In short, "doing it yourself" has become more demanding, causing more and more practices to look to third party medical billings companies to handle their patient billing and soft collections.

When you outsource your billing and revenue management, you and your staff are freed-up to spend more of your time on improving practice operations, improving patient satisfaction, addressing patient treatment follow up and preparing for the many industry-driven changes such as value-based reimbursement models and the transition to ICD-10.

Additionally, your revenue cycle management partner should be able to help you identify and remove revenue leakage points at every step of the revenue collections process.

" In short, doing it yourself has become more demanding"

If you or your practice can answer "yes" to three or more of the following questions, now is the time to investigate establishing a business relationship with a stable, financially sound, revenue cycle management team that can help off-load some of the today's challenges from your team. After all, you work with professionals for tax preparation and legal issues, why not work with revenue management specialists for your practice collections.

The practice has experienced a steady decline in revenue collections and rising costs

Finding and keeping qualified staff to manage the business-side of medicine has become increasingly difficult

The practice is currently operating on a paper-based system, with few automation tools to help it transition to the new operational levels being driven by CMS or commercial insurers

Providers are spending more and more time on administrative functions rather than patient care

Unable to find the time to prepare for the ICD-10 transition

Practice owner/s have considered hospital employment or acquisition by a larger group

Participating in the CMS EHR Meaningful Use incentive program

Questions to ask during your selection process

Establish a set of questions to ask of all billing service candidates. Here's a starting point for creating those questions:

Ask your candidates for a free revenue cycle management analysis
Review the results of this analysis to determine where the inefficiencies are in your processes. Have salespeople explain how they will solve those problems for your practice.

Ask the billing service to review the key management reports they typically provide to their clients
Know what reports you currently rely on for financial insights.

Ask for case studies and contact information of other clients so you can understand the service provider's strengths and weaknesses
Compare these strengths and weaknesses to your culture, your baseline needs and your current inefficiencies.

Require the billing service to walk you through their processes
Evaluate their processes for managing insurance claims submissions and postings, and for managing patient payments and payment plans.

Charge capture
Can the physician encounter interface be customized? Are charge slips automatically delivered to the billing center?

Payments from payers
What tools are in place at the billing center to manage and track a clean claims submission process, identify denials, and track patient payments?

Money in the bank
Do they support automated remittances? What is their experience/history in reducing average days in A/R for other clients? What reports/key performance indicators are available to you and your practice, and how frequently are they updated?

Scheduling
What solutions do they provide to help your office more efficiently schedule and manage patient visits? Be sure to ask for a demo and have your front office staff participate in the review. Does the scheduler integrate with the billing center to facilitate reconciliation of daily encounters with the claims processed for that day?

Check-in/out
Does the application prompt for co-pays? Can you see a patient account balance so you can train your staff to ask for a payment against the balance at the time of check-out? Can your office take a credit card payment, using an encrypted card swiper, integrated with the payment posting system so that payments are automatically captured and posted to the patient account. Where is patient card information stored? It should ONLY be stored by the credit card vendor on their secure systems.

Get clear on pricing
When comparing two or more billing service competitors, be clear on what the price includes. For example, what are your responsibilities in terms of handling rejections, exclusions, denials or appeals and what is the billing team's responsibilities.

Are patient statements included? Patient payment posting? Patient payment plans? Is Patient Portal software offered and does it take secure credit card payments? How do the competitors handle carve-outs if your practice delivers some procedures as direct-pay and others as insurance reimbursements? What software is included under the monthly fee? How easy is it to access key aspects of this system from the hospital, your home, on road? Do they offer integrated EHR solutions? Do the competitors offer iPad applications that integrate with the billing system? Look for a pricing model that aligns the billing services provider with your financial success. The model that best meets this criteria is a "percentage of revenue collected" model.

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