

Free Guide



What To Look For In A Medical Billing Company

—Barry Shatzman, CHBME



MEDICAL BILLING
RESOURCES

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Today's billing takes a highly specialized skill set to be successful and compliant. Medical Billing is an ever changing complex field of codes, modifiers, rules and regulations. Billing has become a specialty unto itself. Outsourcing billing has become popular because it's less expensive and more efficient than in-house billing. Billing companies that offer similar services may have completely different philosophies and practices. Listed below are issues to consider when evaluating and ultimately choosing a professional billing company.

Experience

A billing company should have extensive experience with your specialty. The learning curve involved in taking on a new specialty can cause delays in your cash flow.

Coding

This is an area that separates a better billing company from the rest. Coders should be able to read operative notes and understand which series of codes and modifiers are needed for proper billing and reimbursement.

Communications

The billing entity should be easy to reach and should return messages promptly. Patients will need a toll free number for easy access as well. Hours of operation should be clearly stated and honored. It's helpful if the company assigns a client service manager to new clients. It makes the client feel safe to know that issues and questions will be resolved in an efficient manner.

Reporting

A billing company should offer a variety of reports on all of your billing activities.

- Do they offer customizable reports – numerous sort options – payer, provider, location, etc?
- Do they offer year end productivity reports by provider, by procedure, by location, etc?

Reports should be detailed, accurate, and timely.

Operations

I recommend conducting a site visit to examine the company's operations, meet with senior management, and tour the facility. A lot can be learned about the personality and professionalism of a billing service just by meeting with the staff and looking at their facility.

With economies of scale, a billing service can offer a variety of programs designed to accelerate cash flow that a typical practice just will not have access to.

If your practice does not have an EMR program to which the billing service can connect, then a scanner can be used to transmit your billing every day – the faster they receive your billing (daily), the faster they transmit (daily), the faster you are paid. Scanning the billing information over at the end of each business day eliminates the typical lag time incurred from a courier. Scanning puts the billing service as close to “in your office” as possible.

Patient eligibility

Ability to look up Medicare, Medicaid, BCBS and commercial carriers in real time from your front desk. Collect patient co-pays at the time of service. This also reduces the volume of monthly patient statements.

Patient bill pay

- Online payment portals – Patients can pay their bills online 24/7 with the deposits going directly into your account by the next day. Industry average - reduces accounts receivable by 35%.
- E-statements – Send your bill by email. Instant delivery without postage. You can typically send emails reminding patients of physicals, rechecks, immunizations, etc.
- Paper statements – A classic, standard US mail. You typically can remind patients of physicals, immunizations, etc.

Look For:

- Fast claim processing usually within 24 - 48 hours from receipt.
- Claim scrubbers to audit first time claim submissions? This reduces re-bills and edits.
- A collection rate above the industry average of 92%
- A good patient scheduling program to increase productivity in both the practice and the billing service.

EMR's

A billing service needs a full understanding of a range of EMR programs and issues. Their experience can be helpful in both the selection and implementation process.

References

Every billing company should provide references from current clients and at least one client that terminated its contract within the past two years.

IT Department

The computer network is a very integral part of any billing service. The more efficient the network, the faster a claim can be processed, the faster you're paid.

Look For:

- High Speed Cloud Servers
- Free and easy secure remote access
- Fail-safe Internet: They should have multiple internet sources to ensure connectivity. If one source fails the other instantly takes over.
- Large scale backup generator – no loss of electrical power
- On and offsite back-ups of all client information
- In-house IT staff to ensure consistent support and troubleshooting

Start up Fee

Is there a set up fee? Generally the fees are there, it's a question as how the billing service prefers to handle them. There are many different fees associated with starting up a new account. There are endless licensing fees, time to set up the account in the system itself, time to setup the billing location, many times a billing company needs to credential a provider, all of which takes time and money on the part of the billing company. Then there's the actual billing, the service will process claims for the first couple of months without ever being paid. Some billing companies prefer to charge a setup fee in the beginning of the relationship in order to have some payment for all the work that's required to move forward while other billing companies choose to charge them if a client terminates early and the fees then become unrecoverable within the normal contracted relationship. These are called early termination fees. Early termination fees can only be charged on a termed contract and would be expressly detailed in the contract. This can be a negotiated item before a contract is signed.

Contracts

There are typically two very basic types of contracts with a billing service, open ended or termed. An open ended contract is typically a 90 day contract. That's where all you need to terminate the relationship is a written notice and in 90 days the contract ends. The second is a termed contract; this is where you have a 1 year, 2 year, or up to 10 year contract. There are many advantages for both types of contracts. Ask your attorney for advice and to review the contract to make sure all fees are identified, services defined, and termination clauses carefully spelled out.

Please try to keep in mind a contract is simply agreed upon terms under known situations. Contracts do not need to be scary or avoided. They are for the benefit of both parties. It's much easier for both parties to have an understanding on how to resolve a situation prior to an actual problem occurring.

It is difficult to evaluate your own in-house billing operation. Unless you have billing expertise, you simply cannot tell how much money is lost due to improper coding, misuse of modifiers (causing denials and incorrect payments) and lack of effective follow-up. Even the AMA has said a typical in-house biller will leave 10% - 15% of revenue uncollected.

Open ended contract

- You can leave at any time
- Your billing company can also leave at any time
- Your rates and services can change at any time

Termed contract

- Both client and billing service have negotiated terms that neither can change without the agreement of both parties
- Billing companies typically charge less in fees the longer the contract

Finally, every practice needs to decide whether or not they want the additional burden of running a billing operation. To do it half way will cost every practice a fortune in lost revenue. The selection of the best billing entity can make the difference between success and failure of the practice. This can be the biggest financial decision a physician can make. I was always taught never to do something that others can do better, faster and cheaper than yourself. My advice is to focus on helping patients and outsource the billing.

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