

Hiring a Billing Service

It's Not Impossible: Outsource Your Billing And Stay In Control

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It's a fact. One of the chief reasons medical practices hesitate to use an outside billing service (the buzz word is "outsourcing") is that the practice manager fears a loss of control over an important business function. Research conducted by Compass Billing Service Corporation in Spring, 2002 clearly demonstrates the prevalence of this hesitation among managers still doing billing in-house. So how does a practice manager make the leap to outsourced billing and still maintain a firm grip on important billing issues? This article explores a few tips and hints I've learned over the years in helping practices solve this problem.

1. Manage the Billing Service Like Any Other Part of Your Office Operation

Take the same care in hiring and managing the billing service as you do with your employees and with other outside purchased services. For example, you have office procedures and protocols set up to provide the best service possible in an efficient way. If you send dictation to an outside transcriptionist, you require that it be returned to you in a certain format and within a certain amount of time. Likewise, if you send billing out, establish rules and timelines for the billing service. They may be doing the billing, but you should have a say in how it is done. So much of how they do things reflects directly back on your practice

2. You Must Check Them Out Before Signing The Contract

before you choose your receptionist or transcriptionist, you checked their qualifications and references (I hope). Outside billing should be looked at the same way. Before choosing a billing service check out their credentials. Talk to their staff and see what the turnover is like. How much experience do the people have who will be working on your account? Talk with their other clients to see if they are happy and if they are receiving their requested reports in a timely manner. Call your local Better Business Bureau and see if there are any complaints on file.

3. Negotiate Procedures To Be Followed

Once you are satisfied that the billing service is reputable, then it is time to agree on billing procedures/ Key procedures to be spelled out in writing include:

- Timeliness of data entry
- When claims are submitted to third party payers
- Monitoring contractual accuracy of payments
- Schedules for mailing patient statements
- Processes for handling delinquent accounts

4. Monitor, Monitor, Monitor

Once you have agreed on how your new billing company will handle all aspects of billing procedures, then you want to make sure that your agreement is carried out. Schedule monthly meetings with your billing service. Review the accounts receivable totals. Closely watch the aging buckets --- in particular the over 120 days amount. This should stay consistent with only slight fluctuations. If you have tracked the aging buckets prior to hiring the billing service, compare them to make sure your billing service is maintaining or improving upon what you were doing previously. Balance your bank deposits prior to the monthly meeting and compare with deposits your billing service is reporting. If there is a discrepancy, resolve it.

Always review patient delinquent accounts before turning them over to collection to make sure the billing service has exhausted all means to collect. Set up guidelines so that your billing service can only write-off a certain amount, other than contractual write-offs, before getting approval from you. Have all payments sent to your office for you to deposit. This gives you a chance to review payments and Explanation of Benefits Statements (EOBs) before copies are sent to your billing service. If you see something you want addressed in a special manner, tell them. Review the mail coming to your office that you are sending on to the billing service. This will tell you a lot. Are appeals being filed and what is the result of the appeal? Insurance companies will send their response to the same address they remit payments to. Always remember these are your patients and your accounts. If you want to look at something, ask for it.

The most important key to staying in control of your billing is to look at the billing service as an extension of your office. Hire the best you can find. Set up rules. Monitor compliance with the rules. Do these, and your success with an outside/outsourced billing service will make for happier physicians and a happier patient population. If you have any questions regarding things I've mentioned in this article, feel free to ask via phone at 303-713-1300 or email: emorris@compassbilling.com.