Outsourcing Your Billing

Outsourcing to a billing company can help a frazzled physician, but your practice will still need to collect patient demographics — a common source of billing errors. Still, you will enjoy reduced staffing needs and improved compliance.

If you do decide to outsource, regard your billing company as a business partner who will work with you. It cannot handle your practice billing independent of your input.

Here are 10 questions to ask when thinking about outsourcing:

**How long has this billing company been in business?** A billing service that has only been in business a short time may not have the necessary experience and relationships with payers to collect on complicated claims. Experience of two years or more is ideal.

**How many certified coders does this company have on staff?** Certified coders are typically more discerning in reviewing denials and downcoding, and more articulate in launching appeals. Be sure to ask whether the certified coders are employees or independent contractors.

**How many medical practices in your specialty does this company service?** If yours is, say, the only dermatology practice handled by this particular billing company, it’s possible that the company will lack specialty-specific knowledge about the rules, modifiers, and bundling that contribute to collections success in the world of dermatology. Also ask about the staff-to-physician ratio.

**What technical capabilities does this company have?** The software used by your billing company should:

- be able to handle up to 100 carrier payment schedules for each client so that underpayments can be caught;
- allow for data transfers and remote access;
- be compatible with your office scheduling program and EMR;
- provide remote access to accounts and reports;
- have a claims edit function to correct mistakes before they’re submitted to carriers; and
- not be proprietary software.

**How many claims are submitted electronically?** Your billing company should be submitting a significant percentage of its claims electronically. If this company is not realizing the efficiencies of up-to-date technology, then neither will you — and that will cost you money.

**Does this company take advantage of electronic remittance?** Medicare and the largest national carriers offer electronic remittance. A proven time and money saver, this offering indicates that a prospective company is technologically savvy, efficient, and cost conscious.

**What protocols does this company have to fix errors?** There must be a protocol for changing CPT and ICD-9-CM codes when claims data errors occur. If a billing service changes codes without your approval, then you will be left with all of the risk and none of the assurance that the codes are correct.

**How many account representatives will be assigned to your practice?** You should have one specific account representative assigned to you, and a clear plan in place for providing coverage.
during the rep’s absence. **Does this company have clearly defined policies to follow up on unpaid, underpaid, and rejected claims?** Some billing services do not begin to follow up until 45 days have passed. This across-the-board policy can cause some claims to time out if a certain payer has earlier filing deadlines.

**Can you pay for services based on a percentage of collections, rather than actual charges?** That way, you’re only paying the billing service on what it brings in for you.

Karen Zupko is a 35-year veteran practice management consultant. She can be contacted via kzupko@karenzupko.com.

This article originally appeared in the May 2009 issue of Physicians Practice.

**Disclosures:**

**Source URL:** [http://www.physicianspractice.com/articles/outourcing-your-billing-0](http://www.physicianspractice.com/articles/outourcing-your-billing-0)

**Links:**