

MEDICAL BILLING:

How Outsourcing Significantly Reduces Accounts Receivables, Improves Collections and Decreases Denied Claims...All Within 30 Days



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The fast-paced healthcare industry is becoming competitive and organizations need to find ways to improve service delivery and cut costs to generate revenues. Local health providers that stick to the traditional way of doing things are bound to struggle in their markets if they do not cut costs and improve efficiency. And, of course, with The Affordable Care Act (“ObamaCare”), there is a great deal of uncertainty and it can be difficult to keep up. A medical billing firm can stay abreast of daily changes and ensure you are getting what you deserve.

As healthcare becomes more competitive and consumer driven, local healthcare providers will need to look for ways of cutting costs and taking their business to the next level. One of the ways being considered is expanding billing capabilities with in-house or outsourced electronic billing and coding systems.

Many large clinics, hospitals, individual physician practices and other healthcare institutions have benefited from outsourcing medical billing. Medical outsourcing services providers are usually staffed with billing experts and other professionals that are highly competent. The companies work fast and accurately to deliver their services at cost-effective prices. The result is usually an increase in operational efficiency for the concerned healthcare providers, which means lower costs and higher revenues.

Should You Outsource Your Medical Billing?

One of the questions you may be asking yourself is whether your practice should outsource account receivables management to a third part medical billing service provider. At the moment, you may be managing your account receivables in-house, using existing assets such as owned and operated medical billing technologies and human resources.

For many healthcare practices, outsourcing accounts receivable management to a third party company makes sense. These companies are experts at navigating the daunting claims resolution processes and have the resources to effectively and efficiently tackle medical coding and billing related tasks.

Despite the effectiveness of outsourcing billing, some physicians want direct control of their practice operations and may favor in-house billing systems. In the medical billing industry, one size does not fit all. You therefore need to research well to make an informed choice on which billing route to go.

There are a number of factors that may convince you to outsource your billing:

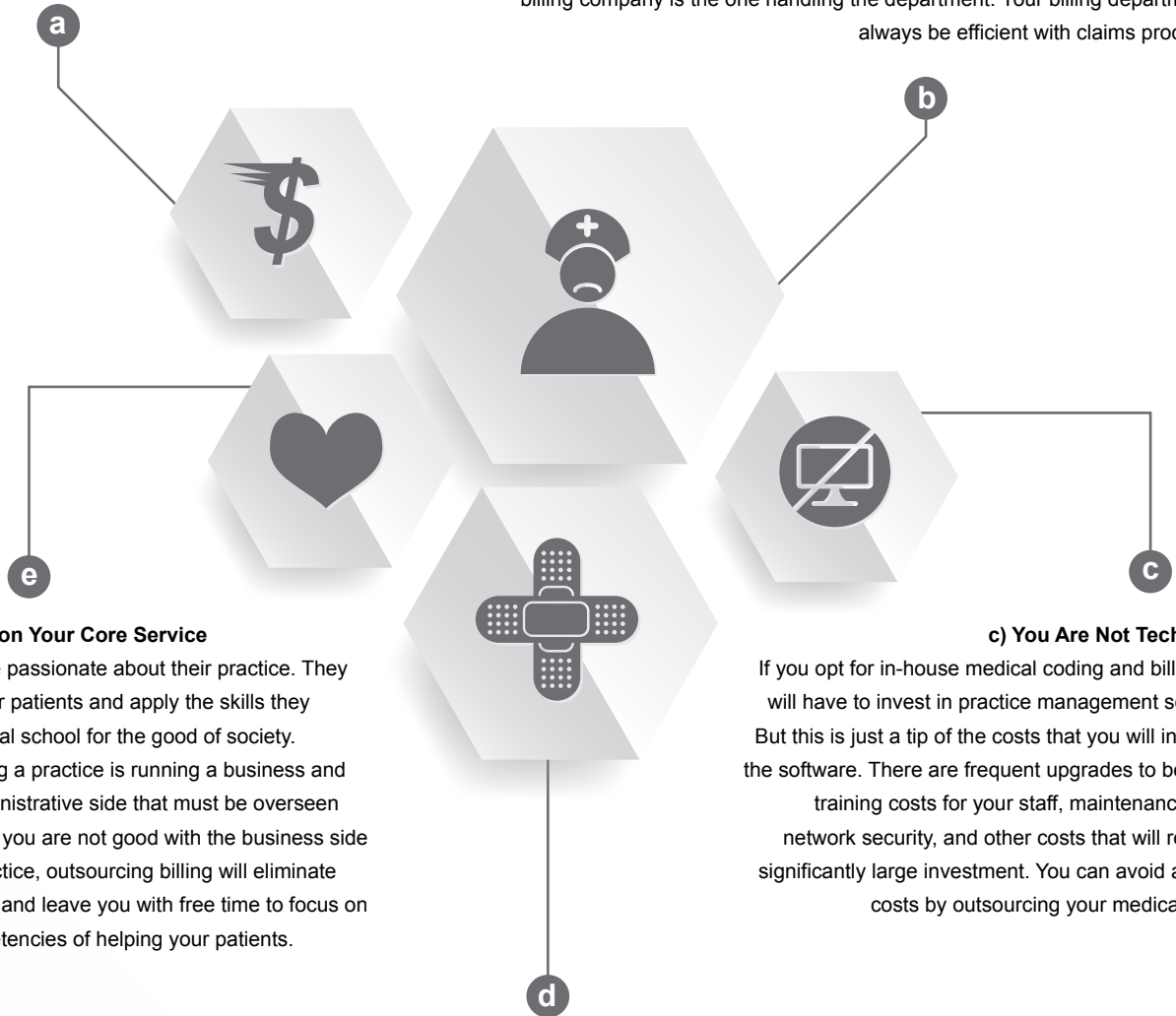
a) You Need a More Efficient Billing Process

If your office overhead and time to collect have been increasing while your collections have been decreasing, there may be inefficiencies in your billing department. To ensure your practice stays on course to generate higher revenues, you may have to outsource your billing to a third party company. Outsourcing typically reduces the time it takes to receive payment from a payer. Apart from this, it also leads to a reduction in the number of rejected claims.

b) You Are Not Good at Staffing

As a physician, your competency is to provide healthcare services to your patients. Your core job is not to deal with staffing or other human resources issues. While turnover is an issue in any industry, losing an employee in the billing department is even more damaging for healthcare services providers. Your practice depends on processing of claims. A replacement or new addition in the billing department is likely to result in a slowdown in claims processing.

By outsourcing your billing, you will not have to deal with staffing issues since the billing company is the one handling the department. Your billing department will always be efficient with claims processing.



e) Concentrate on Your Core Service

Most doctors are passionate about their practice. They want to help their patients and apply the skills they learned in medical school for the good of society. However, running a practice is running a business and there is the administrative side that must be overseen and managed. If you are not good with the business side of running a practice, outsourcing billing will eliminate your frustrations and leave you with free time to focus on your core competencies of helping your patients.

c) You Are Not Tech Savvy

If you opt for in-house medical coding and billing, you will have to invest in practice management software. But this is just a tip of the costs that you will incur with the software. There are frequent upgrades to be made, training costs for your staff, maintenance costs, network security, and other costs that will require a significantly large investment. You can avoid all these costs by outsourcing your medical billing.

d) Your Practice is New or Newly Configured

As a new provider, you have a lot of things to worry about and learn apart from billing operations. It is easy to get overwhelmed with in-house operations when starting your practice. You can however be relieved from the stresses of running a new practice by outsourcing your medical billing.

Outsourcing will not only ensure you are set up right from the beginning of your practice, but will also save you from burning the much needed cash reserves in training and managing employees or trial-by-fire in hiring. Another cost you will avoid is investing in billing management software.

If any of the above five points apply to you, then outsourcing your medical billing is a good option. However, keep in mind that outsourcing is not a magic pill for in-house billing issues. Third party billing services providers can vary widely in their accuracy and efficiency when processing claims. If you choose a billing service that is incompetent or lax to processing claims, your situation will not improve.

Features of Outsourced Medical Billing Services

Before you opt to outsource your medical billing services, you should learn and understand the basic features that make the systems efficient. Below are some of the features you will find in a good outsourced billing services provider:

i) The company should have a complete reimbursement system including but not limited to:



ii) The system should be supervised by qualified medical experts and should follow all HIPPA guidelines.

iii) The company should maintain strict confidentiality at all times.

iv) All documents, data and other online information should be stored in highly secure systems or facilities. In case of online backup, the company should have strict data access policies with multiple security passes and access restrictions.

v) There should be an established quality checking and proof reading system to check data and forms for accuracy.

Now that we have identified why you may need to outsource your medical billing, let's look at the advantages of outsourcing.

The Benefits of Outsourcing Medical Billing

Here are the benefits of outsourcing your medical billing:

1. Focus More on Patient Care

As a medical practitioner, your passion is likely not running a business but helping your patients. This is why you spent many years in medical school. Unfortunately, running a practice requires it to be run like a business for it to remain operational. There are tasks like hiring, keeping accounts, paying bills and others that are crucial to the operations of your practice. What do you do when faced with all these challenges? Simply outsource.



Outsourcing your medical billing is like having your own in-house team of professionals that are qualified on the business side of running the practice. The outsourcing professionals will ensure your practice accounts are in good health by capturing charges and claims accurately and on time. Outsourcing is just like hiring a remote worker but at a cheaper cost.

2. Save Money

One of the secrets of running a successful practice is to keep costs minimal. By outsourcing, you can potentially save thousands of dollars in annual salaries and benefits. Instead of hiring two or three people to work in the billing department, you have an entire company with highly qualified staff running your accounts for you. The good thing is that you do not pay for the number of staff members that work on your accounts, but for the work done.

Another cost you will save is in software purchase, upgrades and maintenance. Outsourcing relieves you of the stress of ensuring that the IT equipment and accessories are functioning and the people using them are regularly trained. This work is left for the outsourcing company, at no extra cost to you. You simply pay for the billing service and the company will take care of the billing, employee training and related software or infrastructure maintenance.

3. Improved Cash Flow

Outsourcing teams use modern technology and software to make billing more efficient and accurate. Your practice will see a significant drop in charges and the time it takes to process claims as the outsourcing experts capture and accurately report the information. The result is a steady flow of claims going in and cash coming out.

Having sufficient cash flow is important for the daily operations of your practice. To ensure your practice is in good financial health, you need assets such as human resources, billing software, communication equipment and others. Purchasing and maintaining these assets in-house can be quite expensive compared to outsourcing.

4. Improved Patient Satisfaction

Patient satisfaction is to medical practice what customer satisfaction is to businesses. Satisfied patients can bring you new business through referrals and word of mouth advertising. However, treating patients and handling billing issues at the same time can be tricky. How do you convince a patient who has trusted

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- 7 Get Measurable Results
- 8 Accurate Future Planning
- 9 Dedicated and Experienced Staff

you to carry out a procedure that he or she has to pay? Such situations can be weird.

To avoid juggling treatment and billing by yourself, you can outsource your billing. This way, you will only deal with patients when diagnosing or treating them while the company will deal with billing issues. Separating your billing from treatment will give you more time to concentrate on your practice and will also improve patient satisfaction.

5. Ensures Billing Compliance

It can be difficult to keep up with the changes in Medicaid, Medicare and other third party payers. You should leave this work to the outsourced billing company.

The medical billing service provider has trained and experience specialists that are knowledgeable in diagnostic and procedural coding, Medicare and Medicaid rules, electronic claim submission, accounts payable management and HIPPA. Instead of spending valuable time keeping up with this billing-related information, let the outsourcing company worry about this. Any billing compliance or regulatory issues will be with the company, leaving you with less worry.

6. Access your Billing Reports Online

Outsourcing your medical billing does not mean giving up control of your revenue cycle. On the contrary, you gain more control by having an expert team take care of the tasking activity of billing. Let the outsourcing team worry about the stress and frustration of filing, compiling and processing claims all to your benefit.

Most outsourcing companies have web-based portals where you can log in and see reports of your billing activities. It will be easy to know the health of your practice by checking monthly reports that may be configured to meet your specific interest. For example, if you are a large healthcare provider, you can determine revenues generated from different departments, accounts that are yet to be settled, and so on.

7. Get Measurable Results

To successfully run your practice, you need to know how your services are performing. By knowing which services are in demand and the medicines or products that are moving fast, you can determine the results of other business aspects such as marketing that you may be carrying out. For example, if you advertised a particular service and it resulted in specific revenues, you can know the impact of the marketing.

The outsourcing company can provide you with reports on the performance of various services over your revenue cycle. You can use the reports as a report card to gauge the performance of your practice. Some outsourced billing services companies can also advise you on where you need to put more effort in your practice based on the billing information they have.

8. Accurate Future Planning

Obviously, you are looking to grow your practice and generate more revenues that you are currently reaching. To plan for future targets, you need financial data trends and analysis of past months to come

up with strategic decisions that will have a positive impact on your bottom line.

The outsourcing company can provide financial and business tools that will help you to understand trends, make strategic plans and implement sound decisions for the benefit of your practice. Most companies are flexible and can provide custom reports to help you understand the performance of your practice better.

9. Dedicated and Experienced Staff

Billing is one of the most important operations in your practice and should be done by qualified human resource staff. The time it takes to find and train employees to be conversant with your in-house billing software can cost you time and money. Moreover, you will incur a loss in case of employee turnover. Fortunately, you can avoid these costs by outsourcing billing.

Outsourced billing companies have teams of qualified and dedicated employees that are highly trained and have expert knowledge on using the billing software. The employees will always ensure your accounts are up to date and will help you with any billing problems you may have. By outsourcing, you will also not have to worry about employee turnover since the companies have many qualified team members who can take over your accounts without affecting the claims processing time.

Outsource Your Medical Billing and Increase Revenues

Healthcare institutions can benefit significantly by outsourcing their medical billing to a medical coding and billing company. The benefits are in terms of better utilization of resources and increased efficiency. By outsourcing billing, healthcare providers can reduce their workload and have more time to concentrate on providing top quality healthcare services.

The major benefit of outsourcing your medical billing is that you will save on costs and subsequently increase practice revenues. You can run your practice more efficiently by taking care of the patient side while the outsourcing company takes care of the business (billing) side. With the outsourcing company doing the hard work of capturing charges and processing claims, you will save on a number of costs you would have incurred had you opted for in-house billing.

However, to benefit from outsourcing your billing, you need to find a good outsourcing company to work with. Preferably, you should work with a medical billing outsourcing company that is a member of the relevant industry bodies, has worked with clients of comparable size to your practice in the past and has a good reputation. Look for reviews of any potential outsourcing companies you want to work with at the BBB website or other consumer review sites.

Contact Keystone to learn more about our services and gauge whether we will be a good fit for your business. We'll explain the equipment and software we use, how we ensure accuracy in entering charges and filing claims and what security measures we have in place to ensure your data is safe.

Contact us today to find out more!