

5 Steps to Assessing My Medical Billing Company

Source: Physician Practice Newsletter, January 2012

If you are seriously considering moving to a new billing resource, here are some steps you can take today to prepare for a big change like this.

1. Set up a meeting with your current billing company: As uncomfortable and daunting as this may seem, it is a critical step in evaluating your goals, and communicating your needs. Think of this meeting as “drawing a line in the sand.” Prior to this meeting, ask your billing company to provide the following information to you so that you can review beforehand:

- A report showing daily A/R broken down by 0-30 days, 30-60 days, 60-90 days, 90-120 days, and 120+ days.
- A report showing A/R broken down by payer class. This can also be categorized by the 0-30 days, 30-60 days, etc.
- A copy of their posting procedure and how long it takes (in days) to post a payment after it has been deposited.
- Dashboard Report broken down by month showing: monthly charges, monthly visits, charges per visit, monthly collections, A/R balance, adjustments per visit, and paid claims per visit.
- If you have more than one clinic, you will need a Place of Service Summary which shows the A/R, charges, payments, and adjustments broken down by clinic, provider, timed units and insurance class.

These reports will get you started, and give you a really good idea where your money is sitting. If your current billing company cannot provide this information immediately, that is a red flag for you. Their software system could be outdated, they could be understaffed, or their billing know-how not up to par. All of this is critical in obtaining your deserved inflow.

2. Understand your goals: Do you have a business mission statement that you live by? If not, that is a great first step. Do you want to be the best practice in the area? Provide the best care, possible? Maintain your customer base? Be a model for others to follow and be compensated for all of this? Think about what is really important to you for your overall business. Make a short list and stick to it!

3. Identify the very specific issues that you are encountering with the current billing company: If you are providing a wonderful service and are not being fully reimbursed (based upon your contracted rates) for your efforts, then that is a big issue to address. Are you aware of any of your patients struggling

with your billing? Are their questions not being answered or are they not able to reach a customer service representative at your billing company, or are they being billed for something their insurance should have paid? Customer Service is key if you are trying to retain your current patients as customers. What is your average days in A/R? If it's more than 45 days, you have room for improvement.

4. Create a list of action items: Be very specific with your billing representative that you expect the issues you have to improve immediately. Be very open and frank with them and let them know your business with them is on the line! These are suggestions for action items:☒

- Billing Company will provide access to reports twice monthly showing where the A/ R is sitting (days out and number of days in).
- Billing Company will follow up on each denial and provide your office with a weekly request list of missing or incorrect information that drove the denial or delay in payment.
- Billing Company will improve collections by “X” percent in 90-days. Set it high!
- Billing Company will bill every claim within a week’s time from the date the charge is submitted.

Think of other specific areas where you want your billing company to really perform and list those. Do not hesitate or hold back on this exercise. You are assuming all of the fiscal risk with a poorly-performing billing company. This is your company, take it back!

5. Set the next meeting date: You will need to set up the next meeting date prior to the end of this meeting. Set it for 90 days from the original day you meet. This gives your current billing company plenty of time to prove they want your business (or prove they don't). Be ready to cover all of your items from point #4 above in this follow-up meeting.