

Feature

# WHY DOCTORS SHOULD OUTSOURCE THEIR BILLING



Outsourcing is a delicate subject but it does have its merits. DAVID JAKIELO discusses further

**T**HE practice of medicine is comprised of many different specialties. Doctors train for over a decade to obtain the skills necessary to successfully practice medicine in one particular area. Plus they must continually stay abreast of the technological advances and ever-changing protocols in their chosen specialty to ensure they are providing the best possible patient care.

You won't find general practitioners performing a triple bypass on their patients—which is a good thing, especially for the patients having the bypass. No, the skill and complexity of that type of operation requires a specialist.

Similarly, given the requirements of today's billing processes, it takes the specialized skill of a medical billing professional to be successful and compliant. Billing should not be something someone does to fill in the time between scheduling patients and pulling their charts.

A decade and a half ago, billing was much simpler. Payers changed the rules once a year and informed practices in plenty of time so they could adjust their processes. Denials averaged less than five percent of total claims. Today, it's not unusual to have a 30 percent or higher claim-rejection rate, which requires extensive follow up.

The challenges that internal billing operations are faced with on a regular basis can lead to collection shortfalls or non-compliance. Here are some reasons why outsourcing to a billing company makes sense:

- Regulations change constantly, which means that dedicated personnel must be

assigned to read bulletins, interact with payers, and attend industry seminars.

- Billing managers should be certified to prove their competency. One such designation is HBMA's Certified Healthcare Billing and Management Executive (CHBME).
- Coding personnel who have the responsibility for ensuring that documentation and coding is compliant with federal regulations should also be certified by one of the accredited organizations.
- Implementing and maintaining a compliance plan can be expensive for an individual practice; with a professional billing company, the cost of a compliance plan and the compliance officer can be spread across many clients.
- Technology is a huge cost center for an individual practice. For example, in addition to the initial purchase price of payment-tracking software to ensure proper payment according to the appropriate fee schedule, there is the ongoing cost of keeping payment tables accurate. Denial management tools are also required to track and eliminate the root cause of why denials are occurring in the first place.
- Lack of follow-up relating to unpaid claims and incorrect discounts applied to patients' accounts are the two biggest problems I encounter in a physician's billing operation. Follow-up is burdensome and time consuming. Because it seems to be the last thing folks get around to, it leads to lost revenue due to the various payers' "timely filing" requirements. The second problem is applying a discount to a patient account after a payment is received; unfortunately, many times a discount is applied even when the physician doesn't participate with that payer,

which ends up costing the practice hundreds or thousands of dollars.

- It is getting harder to attract and retain competent billing personnel. The Society of Human Resource Management states that the cost of recruiting, hiring, and training a new employee is \$3,500. Utilizing a professional billing company eliminates this expense in its entirety.
- Professional billing companies offer economies of scale, which makes their services less costly than if a practice tries to run its own internal operation.

The goal of any billing company is to maximize collections and ensure compliance. With the plethora of regulations that now affect billing and collecting, practices need full time professionals to handle their billing.

Today most physicians are working harder than ever before and making less due to additional regulations and declining reimbursement. The question they should be asking is, "Why should I have the additional burden of running a billing operation?"

Finally there are two things for a practice to keep in mind. First, "Do what you do best and outsource the rest." Secondly, "Never do anything that you can have someone else do more efficiently and at a lesser cost."

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