



BEST PRACTICES:

A Guide to Selecting a Medical Billing Service

Who should hire a medical billing service?

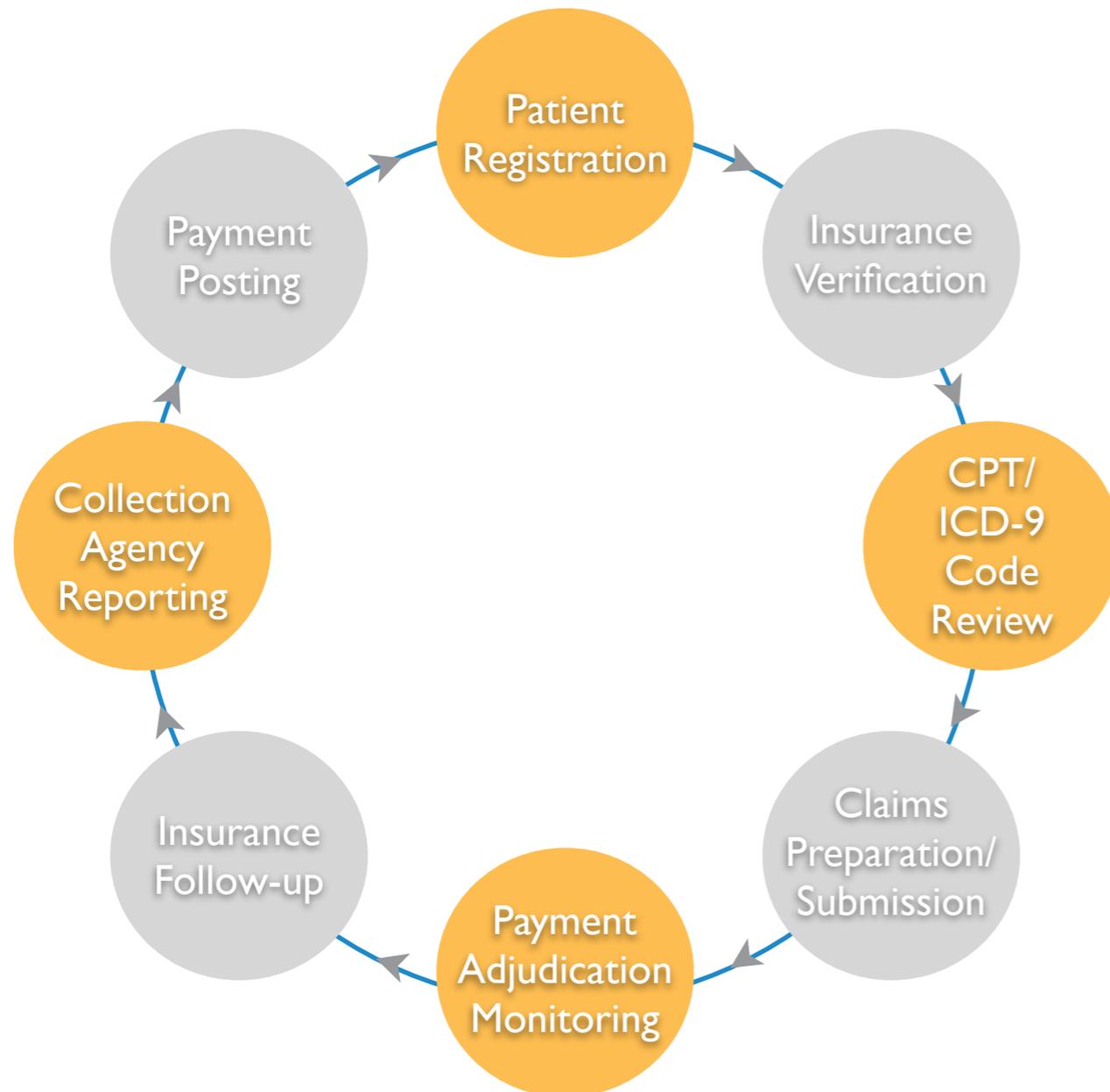
If your practice is increasingly focused on resolving billing issues, leaving less time to dedicate to patients, you may have already considered outsourcing your billing to a medical billing service. This guide was written to help you decide if outsourcing is right for your practice; and if so, how you should select a service.

A professional medical billing service should increase practice revenues by reducing claim denials and following up on denied claims. Meanwhile, you could reduce overhead by avoiding the expenses required to operate an internal billing department while eliminating at-risk receivables due to staff turnover, vacations and absences. Finally, when you hire a medical billing service, you should increase practice efficiency by freeing up time to focus on patient interactions instead of billing issues.

Benefits of a Billing Service

- Increase Practice Revenues
- Reduce Overhead
- Mitigate HR Challenges
- Increase Practice Efficiency

What services does a medical billing service offer?



The level of service provided by a medical billing service will vary by firm. Professional medical billing services will generally offer claims generation & submission, carrier follow-up, payment posting & processing, patient invoicing & support, and collection agency transfer services.

Additional services might include carrier credentialing, medical coding, transcription, insurance eligibility verification, appointment scheduling and appointment reminders.

How do I select a medical billing service?

Selecting an outsourced billing service can be distressing. After all, you're putting the financial management of your practice in the hands of an outside company. It can feel like you're relinquishing control of your revenue, but a professional medical billing service should ease your concerns by providing complete transparency and accessibility.

This presentation is designed to simplify the medical billing service selection process by identifying the five criteria you'll want to consider when evaluating your options.

FIVE CRITERIA TO EVALUATE

- 1 Service
- 2 Experience
- 3 Technology
- 4 Pricing
- 5 Performance

First, you will need to determine which billing activities you want the medical billing service to manage. Do you also expect them to follow-up on denied claims? If so, inquire about what procedures they have in place to do so.

Will they correspond with your patients regarding billing issues? If so, their customer service skills should reflect the standards of your practice.

Medical practices must comply with HIPAA standards to protect the privacy of patient health records. When outsourcing your billing, you'll want to ensure the service is compliant.

Will the billing service report back to your practice on billing issues and ways to improve practice profitability? If so, how often?

Service Criteria

- Follow-up procedures
- Patient relations
- Regulatory compliance
- Reporting & analysis

It's not just about years of experience. Billing codes, diagnoses and procedures will vary by specialty, so it is essential that the medical billing service you select has experience with your specialty. Also, knowledge of what carriers focus on within your specialty as well as experience with Medicare and Medicaid will prove invaluable when submitting claims and resolving disputes.

When evaluating staff experience, ask about years of experience by specialty and CMRS Certification. In order to obtain certification, a medical biller must pass an exam covering medical terminology, carriers, coding, etc. Also, AMBA requires 15 continuing education credits per year to maintain certification.

Experience Criteria

- Specialty experience
- Carrier experience
- Medicare/Medicaid experience
- Staff experience

When evaluating a medical billing service, you'll want to consider their technology and information sharing practices. A professional billing service should be able to confidently address these types of questions.

- How will we share superbills and claims?
- How does your billing service fit with my EHR strategy?
- Does your service have an integrated EHR?
- How does your service ensure data security?
- What are your disaster recovery procedures?
- Where and how is backup data stored?
- Will I need to install and maintain software or will I access your system online?
- Is your technology HIPAA compliant?

Technology Criteria

- Information Sharing
- Data Security
- Recovery Procedures
- Data Backup
- Staff Experience

[Find EHRs that serve your specialty](#) ▶

Next, you'll want to consider which pricing model is most appropriate for your practice. The percentage rate or fee a medical billing service charges will vary based on your claim volume, the average dollar amount of your claims, and the level of service they provide. Generally, there are three pricing model options.

| | Description | Pros | Cons |
|-------------------------|--|--|--|
| Percentage-based | This is the most common pricing arrangement. Typically, the medical billing service will charge a % of collections. Sometimes, they will charge a % of gross claims submitted or total collections (including co-pays and office collections.) | The success of the billing company is tied to success of the practice. | Small claims may not be pursued as aggressively due to smaller payoff. |
| Fee-based | The fee-based model is a less common approach. With this model, the billing services charges a fixed dollar rate per claim submitted. | This model is potentially more cost effective. | Less incentive for the billing service to follow-up on denied claims. |
| Hybrid | The hybrid model is the least common approach. With this model, the billing service charges on a % basis for certain carriers or balances and charges a flat fee for others. | This model is potentially more cost effective. | Less incentive for the service to follow-up on certain claims. |

Finally, you will want to evaluate the company's performance by analyzing some company statistics and quality metrics. You should know the number of years the firm has been in business, the number of employees and their reporting structure, the number of clients by specialty, their gross annual billings and the number of claims they process annually. These metrics will help you determine the firm's ability to take on your business.

You'll also want to inquire about quality metrics such as the average # of days in A/R by specialty; coding, submission and follow-up delay metrics; by what % they've been able to increase revenues for existing clients; and by what % they've been able to reduce payment delays. Confirm these metrics with reference clients.

Performance Criteria

- Years of experience
- Number of clients by specialty
- Gross annual billings
- Average days in A/R
- Delay metrics

Next Steps for Your Medical Billing Service Search

Now that you understand the five primary criteria that differentiate medical billing services, you have the context you need to move to the next step. Use these criteria to define your own detailed criteria.

You'll need to make some decisions, such as:

- Am I ready to outsource my billing?
- What impact will this have on my staff?
- What is my budget?

With your requirements defined and these three questions answered, you'll be ready to start building a "short list" of medical billing services and evaluate each option in-depth.

HELPFUL RESOURCES:

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[Billing Software:](#)

Explore alternatives to outsourced billing in our Medical Billing Software Buyer's Guide

[FastStart Consultation:](#)

Talk to one of our experts to build a "short list" of medical billing services

Want Expert Help Building Your Short List?

Software Advice - the website and the people behind it - is dedicated to helping practices find the right billing service for their organization. Our expertise, in-depth research and easy-to-use website are made available free through the sponsorship of hundreds of software vendors and medical billing services.

Our **FastStart Consultations** will jump start your search, saving you weeks of research. A 15-minute phone conversation will get you headed in the right direction and there is no obligation.

"Thanks so much for getting me started on the right track. The prospect of making this kind of investment is overwhelming, and I didn't have any idea where to start. I think your service is invaluable. Thanks, again..."

*Lori Westin
Denver Nephrology*

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1 Tell us about your practice & needs

2 Our experts tap their brains & research

3 We send you the perfect "short list"

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