

Ask the Right Questions Before Outsourcing Your Billing

Choose wisely to stay compliant and eliminate financial frustration.

Many practices enjoy the benefits of outsourcing their billing functions, such as the ability to concentrate on providing patient care. Choose the wrong billing company, however, and you may end up with even greater distractions and financial frustration.

Meet Your Billing Needs

To be sure you choose a billing company that meets your needs efficiently—and does so compliantly—do some homework to answer the questions below:

Q. What credentials/experience does the billing service have?

Find out how long the billing company has been in business and what sort of reputation they have. You'll also want to know if they are registered or licensed by the state they are in (if their state requires it), and if they carry professional liability insurance. Ask if

they provide a written contract for their services spelling out each party's responsibilities in the business relationship. And don't be afraid to ask how many clients they have, and if they have any clients similar in size and patient mix to your practice. Get references, too, so you can contact current and previous clients and ask for their opinions of the service's performance.

Q. Does the billing company have experience in your specialty?

The billing company should understand the unique factors affecting your specialty; and they should have an appreciation for the issues surrounding your coding, reimbursement, denials, and appeals. If not, ask if they have the resources to get up to speed, to your satisfaction, so your revenue does not suffer.

Q. What kind of training does the staff have and receive?

Find out if the billing service's management hold certification from a professional billing organization, and if there are billers and professionally certified coders on staff. If so, dig deeper to find out if the service provides ongoing education and guidance for these employees.

You have a right to know this information, as well as what resources the biller provides for its staff. Code books (CPT®, HCPCS Level II, etc.) should be up-to-date. The service also should have a written compliance plan. If it does (and you need to be sure), ask if you can review the plan. Speaking of compliance ...

Q. What is the procedure to protect the privacy of information?

Inquire into whether the service has a compliance officer, or someone who ensures the billing company provides secure (encrypted) email communications consistent with





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Health Insurance Portability and Accountability Act (HIPAA) requirements. You also should be aware of whether the billing company uses home-based employees and, if so, what precautions are taken to ensure HIPAA compliance.

Q What are the company's technical capabilities?

Do they electronically process and submit claims, either directly to Medicare or through a clearinghouse? Ask how often claims are submitted to the clearinghouse; what the process is for third-party payers; and if they use batch controls to minimize data entry and other errors. Make sure you know if the service will help your practice with forms, superbill design, office processes, etc.

Q How does the biller handle claim changes?

Learn what the service's protocol is for changing CPT® or ICD-9-CM codes if errors are discovered. What's the protocol for missing information?

Q What type of financial reporting does the billing company provide?

For instance, can the practice request ad-hoc reports? Ask whether the service can provide reports to determine physician compensation levels. If the practice is capitated, can the billing service report on capitated service utilization? Also inquire into whether your practice can access billing data at its office; and ask to see samples of their month-end reports to find out how robust they are.

Q How is the billing company's follow-up practices?

Specifically, how successful are they with appeals? Ask what parameters they use to determine if they will appeal a denial or un-

derpayment. Find out the kind of accounts receivable (A/R) follow-up procedures they have. And ask how often the service follows up on payer accounts.

Q How much will everything cost?

If the billing company's fee is based on a percentage, find out if it is a percentage of charges, or a percentage of receipts (the latter is better). Also find out how refunds are handled. Are they netted out of receipts, so your practice is not paying the billing company for money returned to the payer? And don't forget to ask if the billing service charges a start-up fee.

If the answers to any of these are not to your satisfaction, keep looking until you find a billing service that meets your expectations.

Remember: Even though you are outsourcing, the practice is ultimately responsible for its own claims. You need a billing company you can trust.

Experienced Staff Is Crucial

Even if the billing company is not coding for you, it's a good idea for them to have at least one certified coder on staff. Appeals require the knowledge of a coder, and compliance also demands the increased knowledge that a certified coder can bring to the table. Even the billers need to know aspects of coding to do an excellent job in billing for your practice. Key areas of education include rules and regulations, where to find the information for Medicare, Medicaid, your private payers, modifiers, correct order of diagnoses, bundling and National Correct Coding Initiative (NCCI) edits, what separate procedures are, etc. You do not want a billing company that is just providing data entry.

Best Bets

Find a billing company with experience in your specialty, with a proven track record in

compliantly optimizing practice revenue. I would not recommend entering into a billing company relationship without a written contract that very explicitly spells out each party's responsibility.

Compliance is no longer an option. The Patient Protection and Affordable Care Act (ACA) mandates a compliance plan for all practices, with minimum requirements to be spelled out by the Office of Inspector General (OIG). A practice cannot afford to contract with a billing company that does not have a living, breathing, and operating compliance plan in place.

Check out the billing company's recommendations. Talk to both current and past clients, if possible. Find out what the benefits of working with the billing company are, and what's required of you to make the relationship function flawlessly. Clients should be able to confirm what the company has told you during the sales phase of your relationship.

Finally, do not expect to see your full income generated by the billing company for approximately four months. It takes about that long for them to get a full queue of your billing into the payers and a revenue stream to start flowing into the practice. Make sure you keep collecting on the A/R that was in process when you contracted with the billing company to keep the bank account healthy during this initial period. ■



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