



*Practice Management
for Physical Medicine*

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Working with a Medical Billing Service

What services does a medical billing service provide?

Services vary from billing company to billing company. In general, a billing company will provide

- patient demographic entry
- charge entry of office, hospital, and surgical charges
- claims submission by electronic and paper means to payors
- payment posting and review
- appeals
- followup on aging accounts receivable
- patient billing
- monthly management reporting

Additionally, depending on how the company operates, they may offer one or more of the following:

- diagnostic and procedural coding
- insurance verification
- receipt and deposit of practice monies
- management consulting services
- practice management services
- credentialing
- review and/or auditing functions
- remote "live" access to medical billing, scheduling and/or EMR software

How do I find a reputable medical billing service?

Several professional organizations exist for medical billing companies. Of note are the Healthcare Billing and Management Association (HBMA) and the American Medical Billing Association (AMBA). Both organizations maintain a list of credentialed medical billing companies on the Internet, which are usually searchable by state and specialty. Other sites also provide lists of medical billing companies on a paid basis (as in, the billing co is paying to be listed) without regard to knowledge, experience and compliance, so caution is advised. Prior to contracting with any company, you should always do your homework (see suggested questions below), obtain client references and check them thoroughly.

What do I need to know before hiring a medical billing service?

Following are some questions you should ask when interviewing a medical billing service.

Credentials and General Information

1. How long have they been in business?
2. How many clients does the billing company have?
3. What size are the other clients?
4. What specialties do they bill for currently and have they billed in the past?
5. Do they currently bill for your specialty _____?

Notes: Favorable answers to these questions may give you clues to the stability, endurance, and experience of a billing company.

6. Are they an active member of one of the leading professional billing organizations? Which one(s)?

Notes: The best billing companies join nationally-recognized organizations such as HBMA and AMBA; or may hold dual memberships. The key here is "active." The best billing companies attend workshops and conferences to keep current on regulations and industry-leading developments in billing. They may also teach, write articles, participate in listservs and discussion groups, and other activities—all of which signal a commitment to excellence and integrity.

7. (If they have not billed your specialty previously) What resources/training will the company make available to its staff to familiarize them with the nuances of billing for your specialty?

8. Does the billing company carry professional liability and/or Errors and Omissions (E&O) insurance? If so, how much?

Notes: The best billing companies carry Errors and Omissions (E&O) insurance. This is essentially "malpractice" insurance for billing companies. Ask for a copy of their insurance facesheet and include a provision in your contract that requires the billing company to have a policy in effect for the full term of your contract.

9. What is the billing company's commitment to staff training?

Notes: The best billing companies have a written policy on a minimum number of hours that they will provide annually for each employee in the areas of compliance, specialty-specific billing and coding courses, payor-specific workshops, etc. Ask what their policy is; then ask for training records or certificates. Companies that take training seriously will gladly produce documentation for you.

10. What is the company's contingency plan for disasters? Do they perform backups? How often? Are they off-site? If the biller is the sole employee, what is his/her contingency plan for death, illness, vacations?

Connectivity

11. Will your office be connected to the billing service via an Internet, VPN or other "live" connection?

Notes: The best billing companies have a remote access portal directly into the practice management software for you and your staff to use. Be sure to ask for a demonstration of the software and its capabilities so that you can assess the operating environment and the user-friendliness of the program.

If the billing company doesn't offer a "live" connection, then you will be operating in the dark—kind of like driving at night with no headlights. If you are relying on a monthly or periodic "data transfer," then you will be operating on patient balance and accounts receivable information that is at least a month behind and is a one-way transfer of information.

12. Is there an integrated appointment scheduler that you may have access to? Can you enter data or do you have view-only capabilities? Does the billing company limit you to what you have access to?

Notes: To comply with HIPAA regulations, access should be limited to a need-to-have basis. For example, your front desk may have access to appointments only. Your check-out area should have appointments and patient account balance information. Your office manager should have access to these features plus certain reports. Clinical staff should have access to medical records. You, the provider, should have access to all of the above, plus all financial records and reporting. If you don't have access to reports such as aging accounts receivable, then you cannot hold your billing company responsible for performance.

For convenience, your billing company may allow you to enter certain data such as demographics. This allows you to have immediate access to patient address, phone and other information so that you can send out a welcome letter and forms prior to the patient coming to your practice for their initial visit. In terms of time, it's a wash—your staff would either be entering this information or making copies so that the billing company can enter it. In terms of convenience, it's immeasurable to have the information immediately at your fingertips.

At a minimum, you will want to be able to schedule appointments, update patient demographic information, print demand statements and account ledgers, print patient address labels, and access financial reports.

13. Is there an integrated Electronic Medical Record component? Is there an extra charge for this feature?

Notes: By 2008, regulations require that medical practices have an electronic medical record in place. If the billing company does not offer this, or doesn't plan to do so by the implementation date, then you could be stuck buying an electronic medical records system with price tags ranging from \$10,000 to \$100,000+. Then you would have multiple software environments that you would be operating in. You will be better off to have one integrated system, than three systems that don't talk to one another. The best billing companies have made the investment in Electronic Medical Records technology, realizing that an efficient, functional system will result in better reimbursement for you, and thus for them. Fees for the EMR system should be inclusive in your rate; customization of templates to fit your specialty or your personal note-taking style will probably be a one-time charge.

Billing Questions

14. What is the procedure for transmitting information back and forth between the practice and the billing service?

15. What is the procedure for handling problem claims, such as incomplete information, procedures that need revised or clarified, invalid DXs, etc. ?

16. How is the workload distributed and organized?

Notes: Some billing companies are “client-specific”, that is, the same person handles all functions and tasks for a specific provider. Some billing companies are “function-specific” which means that several people work on your account—one may do charge entry, one posts payments, and another does account followup. The latter provides the best accountability, as more than one set of eyes is looking at the account.

17. Do the checks come to the providers’ office or to the billing company?

Some billing companies prefer that the checks come to the providers’ office. In that case, you’ll tear off your check, make your deposit and forward the attached EOBs on to the billing company. This is preferable to the practice, as you’ll have instant access to the money, and unlimited access to review your EOBs for errors and accountability. The drawback is there will be greater lag time in the posting of the payments. Some billing companies insist that the checks and EOBs go to the billing company directly via a “lockbox.” They make your deposits for you. Benefits are that you don’t have to handle the checks or the EOBs. Drawbacks are that you often don’t get to review the EOBs for errors, or worse, outright fraudulent billing.

18. How often do you submit claims to insurance companies?

19. Which insurance companies (major ones for your area) do you submit electronically?

Reports and Account Management

20. What standard reports do you provide? How often? (Ask for samples).

21. Can you provide customized reports?

22. How often are patients billed?

23. How often is aging account followup performed? What is the procedure (oldest, largest balance, etc.)?

24. How often do you review patient balances? What is the procedure for turning a patient over to collections?

25. How are rejections and denials posted and tracked? Can you print a denial report (sample)?