

Medical Billing Services: Choose the Type That's Right for Your Practice

There are several types of medical billing services available that can support your needs in many different ways. Here are a few things to consider when choosing which is right for your practice.



Medical billing service providers come in many different shapes and sizes.

At one end of the spectrum are large Practice Management Companies, with an extensive network of support but sometimes rigid and expensive. At the other end are small, home-based businesses. With more and more programs offered through local colleges, mail order and online, home-based businesses are popping up everywhere. Somewhere in the middle of these two extremes is what we'll refer to as Professional Medical Billing Services. When considering your options, it is important to understand what each type of medical billing service provider has to offer and which is best for you. This article discusses these common types of medical billing service providers and some of the services they offer.

Home-Based Medical Billing Businesses vary significantly from one to the next in experience, ability and services offered. Many are small start up businesses with only one or two employees. Some offer extensive experience from previous employment in a doctor's office, others may have only one or two clients. While these service providers can offer the highest levels of customization, a small, home-based business can sometimes run short of management knowledge and business acumen to be there for the long term. And what happens to practice cash flow when the solo biller decides to take vacation? Most provide the core services of medical billing (discussed later) and many have other personal experience to offer ancillary services.

Practice Management Companies are typically larger firms that may have 100 or more employees. Most true practice management companies take a holistic approach to supporting your practice, in that they seek to handle all facets of managing the business—including medical billing, marketing, staffing, and even patient scheduling. Although some providers might be excited about the opportunity of having a practice management firm take all the "trouble" off their hands, others find it stifling to have someone else running their business. While their offering can be comprehensive, those providers interested in working with a practice management company should read service agreements and contracts carefully to make sure they know exactly how their practices will be "managed."

Professional Medical Billing Services fall in between the extremes of home-based medical billing businesses and the practice management companies, leveraging the strengths of both and eliminating the weaknesses. With a few dozen employees, Professional Medical Billing Services can offer greater flexibility than a practice management company, but more structure than the home-based service. Clients often find medical billing services have the sustained network of support to eliminate interruptions to cash flow from vacations or unexpected leave time, while simultaneously offering personalized services tailored to meet their needs.

As you consider each type of medical billing company, it's also important to think about

what services you need, which services you can handle in-house, and what expectations you have your medical billing professional. Each of the types mentioned above should be able to offer the following standard services; though service delivery, flexibility and customization can vary widely.

Standard Medical Billing Services

Standard services offered by medical billing companies are generally similar across the range of companies discussed above. There will be variations in the level at which those services are provided. Again, experience and size play a key role in defining where the variations might be. Regardless, the following list identifies the most basic services provided by any well organized medical billing company.

Claim Generation and Submission

Claim generation includes entry of patient demographic, insurance and encounter information into medical billing software. Claim submission is the process of sending that data to the carrier, either electronically through a clearinghouse, or via paper submission in the mail.

Carrier Follow Up

Carrier follow-up is an integral part of the medical billing industry- arguably the most important aspect. The quality of a medical billing service is often defined by the level of follow up they apply to claims and will have an enormous effect on reimbursements. Through follow up, medical billing companies are able to isolate those claims that may go unpaid, or partially paid, and work with the provider and carrier to make sure edits and resubmission (if necessary) are clean.

Secondary, Tertiary and Workers' Comp Claims These special claims usually require special consideration and handling as they often entail additional documentation. Service providers can sometimes get bogged down in the details required for these unique claims if not experienced and prepared.

Practice Reporting and Analysis Reports can be generated through almost any medical billing software, but how often and with what depth will your medical billing service provide these reports? Reports provide critical information about avenues for practice improvement such as directions for growth, cost savings and ways to increase profitability. The importance of reporting cannot be overstated for monitoring the health of the practice. Reports should be provided at least monthly, and experienced medical billing service providers should be able to make recommendations on how the practice can enhance profitability.

Patient Invoicing and Support Patient invoicing is a very detail-oriented process, but if done properly it can significantly enhance practice revenue. Nonetheless, balancing accounts, printing statements, stuffing envelopes and applying postage can be very time consuming. And once patient statements are sent, someone will inevitably have a question about their bill. A good medical billing company has the infrastructure to support patient inquiries with customer oriented approach showing they understand their conduct is a reflection of your practice.

Summary

Partnership with the right medical billing service is vital to your practice's success. Just as with finding a good accountant or lawyer to support your practice's needs, it is imperative you are comfortable with your medical billing service provider- they are the key to your revenue flow. There are many different types of medical billing service providers to choose from, each with its own set of pros and cons. The key is deciding what type of medical billing service provider you are most comfortable with and growing an open working relationship that will help you reach prosperity.

For more information from a Professional Billing Service near you, contact Lori Donnelly at Donnelly Benefit Consultants, Inc. at 610-974-8447 or email LDonnelly@enter.net
More information is available at www.DonnellyBenefits.net.

July, 2008

