

Medical Billing

The Top 10 Reasons You Should Outsource

(Or, The Quick and Easy Way to Boost Profits
While Simultaneously Reducing Management Headaches)

For private practice physicians who own their own practices or medical groups not affiliated with hospitals.



MIDWEST
—
HEALTH CARE, INC.

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OVERVIEW

Running a successful physician practice is a challenge. You work hard to provide the best, state-of-the-art medical care for your patients. You do your best to hire and train staff to guide those patients through the process, from appointment scheduling, to the visit itself, and all the way through billing and collections. And yet, no matter how hard you work at it, it can still be a struggle to get paid for the services you provide within a reasonable time.

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77% of providers say that it takes more than a month to collect any payment.

Does this sound familiar? If so, you’re not alone. According to one industry survey, “83 percent of physician practices under five practitioners said the slow payment of high-deductible plan patients are their top collection challenge” (Black Book, 2017). In fact, according to InstaMed’s *Trends in Healthcare Payments Ninth Annual Report: 2018*, “77% of providers say that it takes more than a month to collect any payment.”

The reality is that the traditional, in-house billing and collections process is fraught with problems, from poorly trained staff, to incomplete or inaccurate paperwork, to insurance denials. And if your practice is like most, it’s probably leaking money like a sieve at each stage of the process.

According to Black Book, “Findings from 1,595 physician practices, 202 hospitals and 49 health systems reveal profit margins continue to be impacted negatively by traditional collection solutions.”

Maybe it’s time to try a new approach.

This white paper discusses the many advantages of outsourcing your medical billing to a professional medical billing company. We’ll look at some of the problems physician practices are running into while trying to do their billing in house; we’ll look at ten major advantages of outsourcing your billing; and we’ll look at the results you can expect if you decide to outsource.

True, you’re never going to completely eliminate all problems inherent in the complicated revenue cycle, but with an experienced, professional medical billing partner, you *can* save time, reduce stress, and generate higher profits.

THE CHALLENGE

If you are a private practice physician who owns his or her own practice or the CEO or COO of a larger medical group and you’re trying to handle all of the many steps of the revenue cycle in house, you’re likely struggling to get paid in a timely fashion for the services you provide.

For example, how many of the following questions would you answer “yes” to?

- Has staffing become a major concern? Have you had staff out for an extended time due to the current COVID-19 pandemic, causing you to either work short-handed or hire temporary staff? Have you realized that some of the people you’ve hired simply can’t handle the job? Or that, in order to stay

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on top of billing, you're going to have to hire even *more* people—a major financial commitment when you take into account annual pay raises, health insurance benefits, disability/workman's comp coverage, etc.?

- Do your people have multiple roles, only one of which is billing? Are they inadequately trained in billing, or do they have insufficient time in their workday to do the necessary billing well while doing all the other tasks they need to get done?
- Has it become apparent that your practice's focus on patient collections is simply inadequate? Do you need a better process for collections?
- Are you suffering from a high number of denials on first submission? Is your practice's response to denials too slow and inefficient?
- Is there a lack of clear procedures for managing write-offs? Are you caught in that "no man's land" between taking unnecessary write-offs and continuing to bill for charges that are unlikely to be paid?
- Are you struggling to identify and measure key performance indicators within your business's data so you can make informed decisions about policies and procedures moving forward?

These are just a few of the many issues you may be struggling with. Maybe you've tried to solve these problems by pouring more time and money into training, trying to keep up with the ever-changing rules and regulations your practice must follow. But all this does is stress everyone out even more, which ultimately negatively impacts patient care.

But there *is* another approach, one that more and more medical practices are turning to as the entire billing and collections process gets increasingly complex: partnering with a professional medical billing company.

BENEFITS OF OUTSOURCING YOUR MEDICAL BILLING

In the medical field, Revenue Cycle Management, or RCM, refers to the process used to track revenue through the entire patient cycle, from initial appointment to final payment. Obviously, effective RCM would result in shorter average times between the beginning and end of the cycle, while longer cycles indicate one or more problems in the process.

There are many points throughout the revenue cycle where a medical practice can lose money. For example, not collecting co-pays and patient deductibles at the time of service leads to a delay in payment. Waiting to bill patients in weekly, bi-weekly, or even monthly "batches" instead of billing daily can greatly increase payment turnaround time. Not following up promptly with patients carrying outstanding balances or with insurance companies who have denied a claim also delays payment.

Because RCM is so fraught with errors and delays, many medical practices have turned to medical billing companies who specialize in the process.

Following is a list of the key benefits of outsourcing your billing services instead of handling them in house:

THE TOP 10 REASONS YOU SHOULD CONSIDER OUTSOURCING YOUR MEDICAL BILLING

10 *Reduce Staff and Cut the Time and Cost for Recruiting New Staff.* If you outsource the billing and collections process, you may be able to reduce staff and therefore cut payroll. With a trusted medical billing partner taking care of the billing process, having a staff member out for an injury or extended illness will no longer cause huge delays in patient payments. And with less positions overall and a more relaxed, enjoyable workplace for those that remain (see Reason #1), staff turnover will be reduced, as well. This means less time and cost for new staff recruitment.

9 *Reduce In-House Infrastructure and Overhead Costs.* By reducing staff, you will free up office space and computers and reduce expenditures on software upgrades, postage, and a whole host of office supplies such as paper for stationery and invoices.

8 *Reduce Time and Expense for Staff Training.* With a trusted medical billing company taking over a large portion of the billing tasks your staff had to manage previously, training time for staff is cut significantly.

7 *Worry-Free Compliance with Government Regulations.* You and your staff will no longer have to spend countless hours trying to stay on top of constant insurance industry changes. A good medical billing company keeps track of all of that for you. They are specialists in submitting claims that get paid.

6 *Patient Data Kept Secure.* Many physician practices struggle to ensure that patient data is secure. A good medical billing company will not only provide your practice with top of the line scheduling software and cloud-based EMR services, but they will also keep your patient data on their own servers (with a firewall and anti-virus software) and back it up to the cloud constantly. In addition, they will have an IT department that will train your staff and be there to troubleshoot if any problems should arise.

THE TOP 10 REASONS CONTINUED...

5 *Less Wasted Staff Time.* Instead of spending most of the day answering patient billing questions, preparing claims for submission, submitting claims to insurance companies, and dealing with denials, your staff can spend their time focusing on other things, such as...

4 *Increased Time Focused on Patient Care.* When your staff is relieved of the burden of dealing with constant billing tasks and problems, they can focus more on your patients as people and spend more time building relationships with them. Your patients will appreciate this heightened level of attention, which will result in greater patient satisfaction.

3 *Increased Short-Term Cash Flow.* With the help of a trusted medical billing company, your claims will be submitted in a timely fashion, errors will be reduced or eliminated entirely, and claims will be approved on their first submission. This will result in faster payments, improve cash flow projection capabilities, and eliminate your fears concerning cash availability.

2 *Increased Long-Term Profit Margin.* Outsourcing your medical billing can significantly boost your practice's profit. You get paid faster (which lowers carrying and borrowing costs), less staff is required to achieve better results, and no technology updates are needed. In addition, a professional billing company will provide you with regular, detailed reports about all of the key performance indicators (KPIs) that you need to track in order to make intelligent decisions about the future direction of your practice. As one revenue cycle management expert says, "If you can't measure it, you can't improve it" (Peets, 2018). A good billing company will help you measure all your most important KPIs.

And finally, the number one reason you should consider outsourcing your medical billing...

1 *Less Stress for You and Everyone in Your Practice.* You went into medicine to help people, but the constant headaches caused by the billing and collections process can keep you from focusing on that goal. When you partner with a professional billing company, you and everyone in your practice can relax, knowing that this crucial process is being handled by a specialist in the field, allowing you to get back to your number one priority—your patients!

WHAT KIND OF RESULTS SHOULD YOU EXPECT FROM OUTSOURCING?

There are two main objections owners of medical practices often bring up when discussing the topic of outsourcing their billing:

1. They want to know how much outsourcing will cost them and whether they will recoup that cost through reduced expenses and higher revenues.
2. They worry that they will have less control over their business by not handling collections themselves.

Let's look at these two objections individually:

Cost of Outsourcing vs. Reduced Expenses/Increased Revenues—Yes, outsourcing your billing to a medical billing company will cost you some money—typically 6-8 percent of the money they actually collect. And yes, that's a lot of money. But think about how much you would be able to reduce expenses by cutting staff, reducing infrastructure and overhead, saving money on training, etc. In addition, a good medical billing company will increase your revenues substantially. In fact, according to one industry report, "An RCM company...can easily increase their clients' reimbursements by twenty to thirty percent" (Advanced Data Systems Corporation). And a twenty to thirty percent increase in reimbursements means a substantial addition to your bottom line, more than offsetting the cost of outsourcing.

Control Over Their Business—Whether you have less control over your business depends on how you look at it. Yes, you won't be in the position of having to oversee every single step of the revenue cycle anymore. On the other hand, your billing will be taken care of by a company that specializes in revenue cycle management, and you'll still be overseeing their work (after all, *they work for you*). So, looked at this way, you're still in charge of all aspects of your practice—you're simply contracting out the most bothersome part of your business to an expert. And the reduction in stress you'll experience as a result is priceless.

Bottom line, within a few short weeks of taking on an experienced medical billing partner, you will experience:

- A decrease in expenses and overhead
- Increased revenue from reimbursements
- Decreased stress from not having to handle all aspects of your billing
- More time to focus on your patients, leading to improved patient care and increased patient satisfaction.

NEXT STEPS

In this white paper, we've looked at some of the most common problems medical practices today struggle with concerning their medical billing and collections; we've looked at one solution to these problems—outsourcing your billing to a professional medical billing company; we've listed ten benefits of outsourcing; we've examined the two main objections medical practices often bring up when considering outsourcing their billing; and we've talked about what results you can expect if you do decide to outsource.

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So, let's talk next steps. If the billing struggles we've discussed here sound familiar, you owe it to yourself, your staff, your practice, and your patients to at least take a look at what outsourcing your medical billing to a competent, professional billing company could do for you. All it will cost you is a little time to investigate whether outsourcing is a good option.

But do your due diligence. After all, this is a major decision that will impact your practice greatly in the months and years ahead. When evaluating a medical billing company, be sure to ask and get answers to the following questions:

- Are they experienced? The longer they've been in the medical billing and collections business, the better.
- Do they work with many medical practices? Be leery of companies that only have a few clients.
- Do they handle all the billing and collection functions in house, or do they sub-contract some of those functions? A billing company that handles all the work in house is more likely to understand the entire process and be a more reliable partner.
- Do they have trained, dedicated staff to stay abreast of Medicare and Medicaid rules and regulations affecting billing and reimbursement?
- Do they provide you with billing software that makes it easy for your staff to check patient insurance information and verify eligibility?
- Do they take care of all claims billing and payment posting?
- Do they handle all insurance accounts receivable follow up, including working all rejections, working all denials, following up on all unpaid claims, and filing appeals?
- Can patients pay the billing company by credit card over the phone?
- Do they provide an app for patients to use to pay their bills via their smart phones?
- Do they provide your patients with a dedicated toll-free phone number to contact them (not you) concerning their billing questions?
- Do they offer IT support to your staff, and can they promise to keep your patients' data secure by storing it on their own servers, with a firewall and anti-virus software, and with frequent backups to the cloud?
- Do they identify bad debt accounts, send a list of bad debt accounts to you regularly for review, and send the accounts on to collections for you?

- Do they have a proven track record of exceeding MGMA benchmarks?
- Do they provide you with regular, in-depth benchmarking reports (at least monthly) on all your key performance indicators?

A good medical billing company will be able to answer “yes” to every one of these questions. If they can do so, you may have just found a partner who can take control of the most troublesome aspect of your business, allowing you to simultaneously raise revenues, relax, and focus your full attention on your patients.

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ABOUT MIDWEST HEALTH CARE

Midwest Health Care, Inc., located in Cape Girardeau, Missouri, provides medical billing services and other administrative support to their clients' practices across the United States.

They also assist their clients in rural communities to become designated as Rural Health Clinics, and they provide a variety of enrollment and credentialing services. It is their goal to provide their clients with the highest level of experience and professionalism in combination with the most efficient use of their time and money.

Midwest Health Care is one of the most experienced companies in the field. They have been providing their clients with medical billing, credentialing, and consulting services for over 20 years, and they serve over 125 clients across the U.S. Many of their team members have 15 to 20 years of experience in the field, and their leadership team has over a century of combined experience in health care.

They offer a deep roster of trained professionals who stay on top of the constant changes in billing and reimbursement rules and regulations; they provide dedicated servers, a firewall and anti-virus software, and constant cloud backups to ensure the security of patient data; and they are proficient in managing all aspects of the revenue cycle.

If you've been looking for a solution to your medical billing challenges, Midwest Health Care is ready to help.

Just call

1-800-303-4263 or 573-335-4715

or contact them through their website at

www.mwhc.net



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