8 Things Your Billing Service Should Be Doing

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A good billing service will...

What has your billing service done for you lately? A good vendor does more than just submit claims, send three patient statements, and hope for the best. Here are eight things you should expect a billing service to do, in exchange for their service fee.
1. Provide easy access to your data.

Ideally, the service uses the same practice management system as you do. Alternatively, it should provide secure access to your accounts. Without it, you can't look up real-time account balances, research patient accounts, or generate reports. Sure, you can ask the billing service to send this. But you may not get it in a timely manner.
2. Keep your protected health information (PHI) safe.

The number of billing services we observe using unencrypted email is alarming. Most practices don't ask how the billing service destroys PHI or where passwords are stored, and many can't produce a signed Business Associate Agreement that includes Omnibus Rule requirements such as a breach procedure. If the vendor isn't keeping PHI safe, you've opened your practice to significant risk.
3. Discuss monthly A/R reports.

Don't assume that these will magically arrive without asking. Often they don't. Or they are delivered with exported (potentially manipulated) data, in Excel. Request bona fide reports from the billing service's system. Specifically, review aged A/R by payer (with insurance and patient balances shown separately) and the patient collections report (sorted by descending balance amount). Ask for a written status of the 10 biggest accounts, every month.
4. Calculate metrics and compare against benchmarks.

<table>
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<tr>
<th>Days in A/R</th>
<th>Percent A/R &gt; 90 Days</th>
<th>Net Collection Ratio</th>
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<tbody>
<tr>
<td><strong>What it Measures:</strong></td>
<td>Average number of days to collect an account.</td>
<td>Amount of A/R older than what's considered &quot;likely collectible.&quot;</td>
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<tr>
<td><strong>Performance Standard:</strong></td>
<td>25 days or less *Varies by payer mix</td>
<td>15% or less</td>
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5. Send its employees to annual coding training.

Free payer and Medicare webinars are helpful, but they are not a substitute for specialty specific coding education. This is especially critical for surgeons and subspecialists. As a customer, you should expect that the company you've entrusted your accounts with is investing in its human capital. Ask who is sent, how often, and to which courses.
6. Implement time savers and technology tools.

Relying on phone calls, forms, and paper-based systems indicates the billing service is stuck in the past. Here are a few technologies to insist on: electronic follow up queues, which improve the efficiency of managing unpaid accounts; electronic funds transfer (EFT) which reduces paper, lost checks, and theft; electronic remittance advice (ERA) which significantly speeds payment posting; and payer portals, which provide an automated, online channel for appeals and denial management.
7. Follow-up actively and accurately.

Good billing services don't sit passively and wait for claims to be paid. They act on unpaid claims at 30 days or less. They spot and handle denial patterns. They have procedures for chasing payer underpayments until resolved. And when they've hit a dead end, they actively recommend accounts for collection or bad debt write-off.
You are buying external expertise. A high performing billing company addresses areas where better coding and documentation can improve compliance, speaks candidly about how to avoid denial patterns, and provides proactive suggestions for improving collections.