

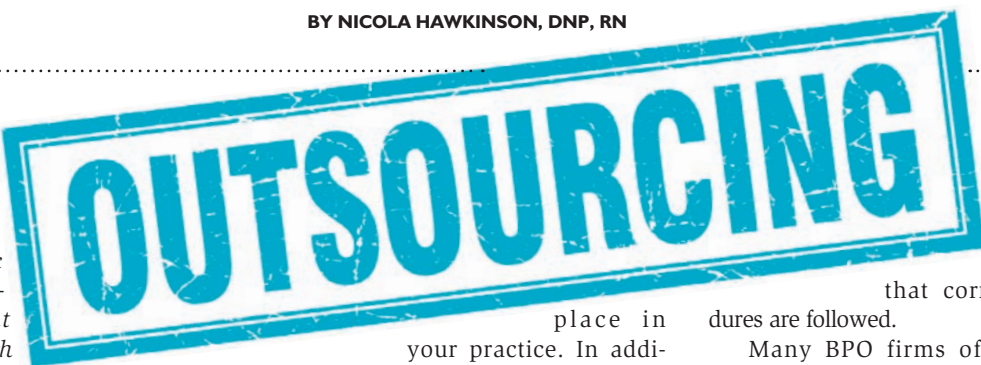
Outsourcing Your Billing: How Will It Affect Staffing, Overhead, and Compliance? Part II

Any transition to outsourced billing still requires your oversight.

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This article is the second of two parts.



In Part I of this article, we looked at the human issues that might be a part of the decision to outsource your practice's billing. If you've decided to outsource, there are human and compliance issues that you must be sure you have under control. It is dangerous to assume that everything will be okay just because you've outsourced to a company that specializes in medical billing.

Compliance

As a provider, your obligations under HIPAA or HITECH are not reduced by outsourcing and sending the administrative functions of billing offsite. In fact, the opposite is true. As a provider, you, of course, remain responsible for all actions that take

place in your practice. In addition, you are responsible for the acts of your business associates and their subcontractors. This applies to domestic and offshore business process outsourcing (BPO) firms.

that correct procedures are followed.

Many BPO firms offer indemnification in the event of a HIPAA breach, but that indemnification is only as good as the financial strength of the indemnifier and your ability to pursue payment. This can be of

employee who is specifically tasked with monitoring and ensuring

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Although outsourcing should mean that the provider has effective controls and procedures in place, never forget that you have introduced more potential breach points into your system—points that are not directly observable by you.

You need to have a clear description of the procedures regarding personal health information and HIPAA that your new billing services provider follows, and you need an in-house em-

particular concern if you are dealing with an offshore provider.

The system you choose should store and print compliance forms and reports with ease. This will help your privacy officer track compliance activity, such as the list of patients who have unresolved privacy complaints or who have requested special privacy restrictions. Audit trails that allow users to track changes to

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patient demographic data easily will complement existing audit trails that track claims and patient insurance information changes. You should have the ability to restrict access to specific patient records (e.g., “special” patients, such as practice employees and high-profile individuals).

Changing Needs

Your transition to outsourcing almost certainly will result in fewer staff within your practice, with the likely result that you will lose a great deal of “corporate” knowledge of proper billing and follow-up. You may find that you need to hire an expensive and experienced individual who is capable of monitoring and directing your outsourced provider.

The skills that were needed to manage a large in-house billing department may not be the same as those required to manage an external provider. Whatever the case, you will continue to need in-house staff of sufficient number and adequate skills to manage, measure, and monitor your outsourced billing solution.

You must plan education sessions

quire the service provider to follow up on collections and denied claims and to resubmit and negotiate where required. Additionally, you will almost certainly receive reports listing all such claims, along with a brief description of actions taken and the outcome.

A medical billing provider should be able to offer highly detailed per-

needs to know precisely what they are supposed to do in this situation. Will the call go to your in-house manager of billing services? Does it go to the practice manager? Or is it simply referred back to the service provider?

It could be beneficial to hear patient feedback about their experience with your billing provider, but keep

Make sure that all members of your staff understand who is responsible for what within your new system.

formance reports and statistics on your practice’s billing operations. This information should be provided without the need for in-office technology, time spent scouring your billing history, or prodding your biller or billing department for much-needed insight. Transparency is essential, and you must insist on complete and actionable reporting.

The billing provider should have specialist staff with extensive coding experience, deep leadership, and actively developed software systems that will meet or exceed all governmental and insurer requirements.

in mind that the moment you engage with the patient, you may find yourself taking on an element of ownership of the problem.

Compare Results

You know what you have been promised. Run direct comparisons of the effectiveness of your new outsourced process against your previous in-house system. Do the numbers add up? Are you receiving the service improvements that you were promised? If not, why not?

The Bottom Line

Transition to outsourced billing does not mean that you can forget about managing your billings. In fact, it is critical that you formalize and schedule how and when you will review results and manage the provider’s performance. With in-house billing, it may have been possible to pick up a “vibe” simply by walking to the billing office for a chat. With an outsourced platform, you must schedule and maintain effective monitoring and management. **PM**

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for your remaining team. These must take place at the very beginning of your switchover, and they should be coordinated with the new provider. Changing to BPO of billing is not the same as outsourcing IT. Most employees are disconnected from and unaware of IT requirements. Your patients never contact your IT department, but they will definitely be interacting with Billing. Be certain that your staff understands when and how to pass patients on to your outsourced provider.

Billing affects everyone in your practice who routinely communicates with Billing. Make sure that all members of your staff understand who is responsible for what, and what their individual responsibilities are within your new system.

Your contract will undoubtedly re-

These specialists manage and upgrade your software, handle technical issues, and deal with the computer aspect of billing. Your in-house person responsible for billing services must possess the experience and skills to analyze their performance and reporting, along with the administrative skills to press your provider for effective action where needed.

Direct Patient Contact

Don’t be surprised if you receive direct phone calls and correspondence from patients or insurers. Have a policy in place from day 1. It is not uncommon for a patient to believe that the firm doing your billing is unreasonable or that the patient would find his or her bill reduced by speaking to someone inside the practice. Your front office team



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