

# Is Outsourcing Billing Right for You?

*By David Winter*

Have you ever been solicited by a billing company? If so, you probably have noticed that the pitch is usually the same: “We can do your billing for a lower fee (typically a lower percentage) than you are paying now.”

The focus of these pitches is usually on cost savings. The company compares the amount that you currently pay with the amount they would charge, to show savings to you.

A good billing company, however, can do more than save you money. It can help you earn more.

As you contemplate outsourcing your billing function, here are some questions to consider:

**1. ‘What kind of billing company is best?’** You can choose from two types of billing companies. One type is an established company with an industry track record. The other is a home-based business.

An individual working from home is more than likely legitimate; however, one problem with this situation is that less effort may be put into your receivables if this one person bills for multiple practices.

**2. ‘What will the company do for me?’** Will it only prepare and issue bills? Or will it put effort into collections?

A company that will help with collections can help boost your revenues. Today’s healthcare industry requires more effort than ever in collecting from insurance companies. You will want an active collection effort for your receivables.

If a billing company quotes you a low fee (low percentage), it is likely because little effort will be given to your receivables beyond sending your bills to the insurance carriers.

Active effort in collecting on unpaid claims and improperly paid claims is vital.

**3. ‘Can the company accurately assess my practice’s earning potential?’** A billing company should be able to calculate, based on information you provide, your practice’s income potential and how you can achieve it.

The company should also be able to analyze your billing codes and fees to determine whether you are maximizing income properly.

**4. ‘What types of businesses has your company worked with?’** One misconception you may have is that a billing company that deals with other types of practices will not be able to help them.

Actually, the more varied its client base, the more experienced it will be in dealing with insurance

carriers. A billing company that works with not only chiropractors, but also physical therapists, physicians, and hospitals, tends to have more knowledge, experience, and resources to help you increase your income.

**5. 'How can the company advise me?'** When you decide to outsource your billing and collections, don't relinquish the responsibility of ensuring that your money comes in.

In fact, do exactly the opposite. Using a billing company frees your time so that you can review your income and receivables. Your billing company is now responsible for the process, but you are still ultimately responsible for your business finances.

Ensure that the company you choose provides someone knowledgeable in healthcare practice finance to consult with you regularly about the income generation taking place in your office.

If you get satisfactory answers to these questions, the last decision you have to make concerns how you want to spend your time. If you keep your billing and collections in-house, you will spend approximately 12–15 hours a week hiring, training, and supervising employees, as well as setting up and maintaining your billing system, collection system, salaries, taxes, etc.

Outsourcing with the right company can relieve you of those responsibilities and free up your time for treating patients, bringing in new patients, and building your business.