

Optometry Coding & Billing Alert

READER QUESTIONS: Ask This When Outsourcing

Question: My practice is thinking about outsourcing our billing. What should I look for in a billing company?

Montana Subscriber

Answer: If you decide to have an outside company handle your practice's billing, it's essential that you find one you can trust and that will meet your needs.

First: Find out how long the company has been in business. Generally, the safest bet is to look for a company with a track record that goes back at least three years. You also want to find out how the company will charge you for its services. Most billing companies either charge based on how much they bill out for you or based on a percentage of the receivables collected. The latter is preferable for the medical practice because the company gets paid based on how much reimbursement it secures for your practice. That arrangement gives the company more incentive to work hard on your behalf. Also, find out if extra costs (such as postage) are included in the company's fee.

Other essential questions to ask a prospective billing company are:

- Does the company submit secondary claims? You'd probably do best to avoid companies that don't.
- How are accounts receivable handled? Stay away from companies that charge extra for working old claims.
- How does the company bill patients? Find out how many letters the company sends to patients, when they send the account to collections, etc.
- Who handles telephone inquiries about claims? Many billing companies won't get on the phone to track down claims or resolve payment issues, and you want to find a company that will take care of this chore for you.
- What kind of software does the company use? Tip: Ask for a sample of a monthly report.
- Does the company offer any bonus services, such as credentialing or coding updates?
- Is the company very familiar with your specialty, or is their knowledge more general?