

Optometry Coding & Billing Alert

Reader Questions: Do Your Homework Before Hiring Outside Help

Question: Our practice just combined with another practice, and we're thinking about outsourcing our billing to help keep up with claims for a little while. Will this actually be beneficial? What should we be aware of when looking for an outside billing company?

Ohio Subscriber

Answer: If you're contemplating hiring a third party to do your practice's billing, you need to ask some questions before signing on the dotted line. While outsourcing can be an excellent idea when you retain the right company, each practice will need to evaluate for itself whether the arrangement will work in its favor.

Hiring an outside biller or billing company can be beneficial. Some of the advantages your practice might see are that thirdparty billing:

- Can save the practice money;
- Offers the practice access to professional financial expertise that it may not be able to afford to hire in-house;
- Can provide specialists in the practice's area of specialty;
- Reduces space requirements in the office for an inhouse billing operation;
- May reduce hardware and software investment for the practice (as well as the cost of IT support and maintenance);
- Shifts billing issues to a third party that specializes in billing;
- Potentially increases revenue by more than your cost; and May improve office efficiency and give the physicians more time to devote to patient care.

But as with every decision your practice makes, you need to be sure you also look at the potential downsides of outsourcing your billing.

The possible cons include:

- A loss of control over billing practices if not properly managed;
- Billing problems could take longer to identify and fix when a third party handles billing, particularly if the billing company is not competent in your specialty; and
- Third-party billers may end up costing a practice more than in-house billing and actually reduce practice

Best bet: Do your research and be sure you're working with a reputable company if you decide to go ahead and use an outside biller. Ask billing companies for customer references, and look for companies that have experience billing in your specialty.

Once you sign on with a company, you should get monthly reports on billing. Ask the billing company for a detailed adjustment report that lists write-offs so you can see if they're justified. Be sure you know specifically who in the billing company will handle your practice's account.

Make sure you have benchmarks that the billing company is expected to meet written into the contract. Also ensure that the contract allows either party to terminate it with 30 to 90 days written notice.

-- Answers to You Be the Expert and Reader Questions reviewed by **David Gibson, OD, FAAO**, a practicing optometrist in Lubbock, Texas

