

Optometry Coding & Billing Alert

READER QUESTIONS: Do Your Research to Find Best Biller for You

Question: What are some of the pros and cons of a medical office outsourcing its billing operation? Also, what kinds of questions should a practice ask a billing company that it may hire?

Montana Subscriber

Answer: Optometry offices that are contemplating third-party billers need to ask themselves some questions before giving up control of the process. While outsourcing may seem like a good idea in theory, each practice will need to evaluate for itself whether the arrangement will work in its favor.

The reasons a practice may outsource its billing vary, according to *Managing Effective Patient Collections*, a journal from Health Care Consulting Services Inc. (HCCS) in Cleveland.

But in general, medical practices choose to outsource billing because it:

- Saves the practice money
- Offers the practice access to professional financial expertise that it cannot afford to hire in-house
- Shifts billing issues to a third-party specialist
- Can improve office efficiency and can give the physicians more time to devote to patient care.

But there can be drawbacks to having another entity handle all of your billing, HCCS says, including:

- You have a loss of control over billing practices
- You could have a messy breakup if things don't work out with a billing company and you need to get out of your contract
- Billing problems will take longer to identify and fix when a third party handles billing
- Third-party billers may end up costing a practice just as much as in-house billing.

Best strategy: To make sure you are aligning yourself with the best third-party billers in the business, HCCS recommends that you:

- Ask billing companies for customer references.
- Look for companies that have experience billing in your specialty.
- 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.)
- Ask the billing company to identify who will handle your practice's account. Then contact that person and give him a billing quiz.
- Have benchmarks that the billing company is expected to meet written into the contract.
- Make sure the contract allows either party to terminate it with 30 to 90 days written notice.

