Part B Insider (Multispecialty) Coding Alert

BILLING: 3 Tips Help You Optimize Your Billing Department's Efficiency

Be proactive -- not reactive -- to A/R changes.

With Medicare payment changes up in the air every 30 days, medical practices are putting more pressure than ever on their billing staffs to collect every cent available to them. But practices should switch their focus from being reactive to Medicare changes -- and instead should become proactive by creating efficient billing procedures. Follow these three tips to make sure your billers are tracking the right numbers.

1. Review financial measurements. You may think your accounts receivable (A/R) department is running at 100 percent efficiency, but when is the last time you reviewed the processes? When Medicare pay appears poised to drop, practices try to immediately focus on improving their A/R, but this should be an ongoing goal, says **David J. Zetter, PHR, CHCC, CHCO, CPC, CPCH, PCS, FCS, CHBC** with Zetter Healthcare Management Consultants.

"There are always situations like these that bring about a better financial focus on the business when the impact is great or immediate, but it may be too late for some because they have a reactive nature rather being proactive," Zetter says.

Businesses should have processes in place where they consistently review financial measurements to ensure the business is running efficiently and successfully, Zetter says. It also provides specific measurements and feedback to employees.

2. Determine whether an outsourced billing company is earning its fees. "A billing company that isn't catching every penny, even if it's charging you a smaller percentage in fees, can ultimately be more expensive than a billing company that charges more but is collecting more," says **Barbara J. Cobuzzi, MBA, CPC, CPC-H, CPC-P, CENTC, CHCC,** president of CRN Healthcare Solutions "You have to think about what it costs to collect that money," Cobuzzi says. "If a billing company (or your internal billing department) keeps your revenue where it is or increases your revenue rather than your income falling, they are a profit center and not a cost center."

3. Know your practice benchmarks. If you are aware of your average number of days in A/R, then you'll be able to notice immediately if that number rises, rather than wondering whether it has gone up or down.

An average number of days in A/R can be different for every business "depending on the payer/patient mix and the contracts they have with them," Zetter says. "It is difficult today to have a business in the medical industry and be successful if you don't have a plan and constantly monitor the business based on specific measurements to benchmark against. Those that do are successful and will usually continue to be."