



LESSONS LEARNED:

The Hidden Trap of In-House Billing

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About HealthPro Medical Billing

For over 35 years HealthPro Medical Billing has been the trusted partner of choice for healthcare service providers throughout the United States. HealthPro has built a solid national reputation by delivering superior client service, value and results.

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Quick Facts: The Results

- ✓ Dr. Smidebush is extremely pleased with the more than 20% revenue increase that HealthPro delivered on the same volume of procedures.
- ✓ After experiencing HealthPro's diligence and results, Dr. Smidebush wishes his practice had switched billing services sooner.
- ✓ Dr. Smidebush compliments HealthPro on their high level of personal service.

Why did you consider outsourcing your billing?

There are a lot of hassles to doing your own billing. And for a number of reasons, we were not collecting as much as we should have been.

First off, we suspected our people were doing a good job with what they could collect in a straightforward manner, but we knew we weren't doing a good job of handling our denials. An audit confirmed our suspicions - we were losing an awful lot of money on them.

Second, we hadn't done a good job of negotiating favorable terms with our payor contracts.

Third, we had no real way of verifying if payors were actually reimbursing us according to our contracts.

Describe your experience with in-house billing.

Candidly, we floundered around for years, thinking we were doing okay. But that's easy to do when you don't have anything to compare yourself to.

Plus, the size of our billing staff continued to grow. At one point, we had 11 people in the department, including one accountant. You can imagine the expense associated with that level of personnel. We were hemorrhaging money.

How much more money did you collect after you decided to outsource your billing?

Over 20%. Obviously, we did a much better job of collecting what was falling through the cracks.

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How did loyalty to your in-house billing staff influence your decision?

We felt a tremendous amount of responsibility to the people we employed. So we dragged our feet, which actually hurt us. Our physician practice continued to lose money while we delayed.

"We knew we weren't doing a good job of handling our denials. An audit confirmed our suspicions. We were losing an awful lot of money on them."

“We chose HealthPro because we trusted them and felt at ease with them. We did not get that same sense from other companies.”

What were the key factors that made the transition successful?

1. We gave our staff generous severance packages tied to performance.
2. We phased out our in-house billing over time, instead of making a dramatic shift.
3. Our billing staff worked hand-in-hand with HealthPro during the transition to make the transition smooth.

Everyone was satisfied in the end.



Why didn't you look for a large, national company?

There are so many changes with big nationwide companies - the companies get sold, they change hands - and things change for the customer. We wanted more of a medium-sized company that was still sophisticated but would also deliver personal service.

What about location? Did you think you needed a local vendor?

The bigger question was - were we going to get that personal touch? HealthPro is not in town, but they still visit us in person. I can remember 4 - 5 times over a year or two when their partners were here onsite to review numbers or present our annual

results to us. They gave us that personal level of service.

How did HealthPro help you overcome your doubts about outsourcing?

A big part of it was our interaction with them on the personal level. They were genuine and sincerely concerned about us. I trusted them and felt at ease with them. Other companies didn't give me the same sense of trust.

What about HealthPro's management team?

I was impressed by HealthPro's senior team. They have a CPA and an insurance industry expert running the business. They compliment each other.

What surprised you about the switch from in-house to a billing company?

Knowing that we didn't have to worry. Discovering we could have peace of mind - that was a pleasant surprise. Another pleasant surprise was receiving meaningful reports. It was nice to have adequate data to compare and identify trends so that we could better manage our practice.

“HealthPro helped us make a smooth transition. Everyone was happy in the end.”

What advice would you give to a physician group currently doing in-house billing?

Investigate ways to outsource. You won't collect as much as you should if you do your own billing.

Do you wish you had outsourced sooner?

Yes. We would have outsourced YEARS earlier if we knew then what we know now.



Tips For Physicians with In-House Billing

✓ **Outsource your billing.**

Investigate ways to outsource. There are a lot of hassles to in-house billing, and you won't collect as much as a billing company does.

✓ **Don't delay, even if you are concerned about your staff.**

We made that mistake, and it cost us dearly. The right billing company will help you make the transition work well for everyone.

✓ **Get a feel for the people you're dealing with.**

Get a personal feel for the people you are talking with. HealthPro made us very comfortable, and that played a huge part in our decision.

✓ **Focus on service, not whether they are local.**

Don't worry about whether the vendor is local. Be concerned with how well they will service you.

✓ **Talk to their customers.**

Talk to clients of any vendor you are seriously considering. Get to know them and why they chose the billing company.

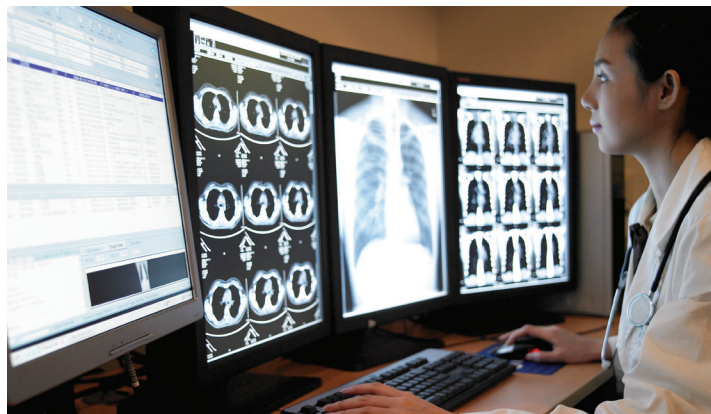
✓ **Get an apples-to-apples comparison between vendors.**

Don't assume all billing companies are equal. Make sure you know what each one is actually going to deliver.

✓ **Take your time. Don't let pressure sway you.**

Some vendors will try to pressure you into a decision. That's not HealthPro's style, but we felt that with another vendor.

Remember: This is your decision.




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