



## The Pain of an Unfaithful Billing Partner

In the vast majority of business and industry, the entity itself takes full responsibility for invoicing (billing) its customers or clients. Hospital-based physician practices are uniquely different.

**W**hile you “produce” the work product that generates income, you are heavily reliant on someone outside your practice for:

- Capturing and processing the entirety of your work product
- Accurate and appropriate procedure identification
- Accurate and appropriate diagnosis coding
- Creation and filing of timely clean claims
- Follow-up of denied or ignored claims
- Timely filing of secondary claims
- Balance billing of remaining amounts to patients
- Interaction with insurers and patients to clarify or resolve concerns
- Detailed performance results of the underlying accounting

**You're not just outsourcing your billing; you are delegating the entire responsibility of assuring:**

- All interpretations are captured by the billing entity
- All CPT and ICD-10 procedures are compliant with government and industry standards (the failure of which can lead to substantial fines, penalties, and lost revenue)
- Each invoice (claim/patient bill) is followed up on to assure maximum financial receipts
- Every dollar received is received directly into your bank account
- Refunds are issued in compliance with CMS regulations and State Escheat laws

You also want and need accurate and timely reporting to manage your practice, make practice-based decisions, review and assess payor contracts, and perhaps most importantly, be able to easily evaluate your billing company's performance.

That's a lot to ask of a "vendor relationship." In fact, the trust required is more like a healthy marriage than a subcontracted relationship.

In strong relationships, feedback and trust are paramount. Fidelity is confirmed daily in a marriage. Trust is built and maintained through good communication and constant feedback to confirm that each partner is fully living up to his or her commitments. Trust is a wonderful, reassuring, peaceful reality.

Except... when there is doubt. What happens when questions are dodged? When feedback is delayed or missing? When you are just not sure the other party is being faithful to their commitments?

Trust isn't blind faith in another. It may begin on a small foundation of unknowns, but for it to grow and develop, it needs the food and drink of reassurance and fidelity.

Many physician practices intuitively know when they can't fully trust their billing business partner. There's an underlying, gnawing feeling that things just aren't quite right. So why does it sometimes take so long to bring about change in this area of business activity?

**Here are just three of several reasons that may cause you to pause:**

1. Practice demands my full attention to clinical performance. Billing just isn't my highest, most "urgent" priority.
2. Our group is embarrassed to admit we are losing money. It's easier to just

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keep going than find out we've left \$350,000 on the table each year.

3. I don't like confrontation. The idea of having to hold my billing partner accountable sounds incredibly painful.

It often takes an egregious act or many failures over a long time to aggravate someone to a point they are willing and able to finally respond assertively. That is both very understandable and very unfortunate. Because you and your partners deserve to receive all the money you are legitimately due for the professional services you provided your patients.

So what is the next step if your group is in such a situation?

Every responsible and professional billing company is receptive to being held accountable. In fact, they value it, because it offers continuing confirmation that they have solid practices and are performing in accordance with their commitments.

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**“Putting confidence in an unreliable person in times of trouble is like chewing with a broken tooth or walking on a lame foot.” – Proverbs 25:19**

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As such, the very first step is to evaluate your billing process every few years. This should be a normal and regu-

lar business activity, but should be employed especially when you have that gnawing feeling (or known facts) that your billing process isn't performing as expected.

On a factual basis, you can begin by examining your practice metrics and compare them to reliable third-party metrics. But, you may already know that you need to move on, and in that case, you can move directly to a due diligence process and evaluate other billing providers.

The major issue is “taking ownership” of the process that generates your revenue (“Revenue Cycle Management” aka billing). There's simply too much at stake. You're running a multi-million-dollar business, and just beyond your clinical performance, the process of billing and collecting your revenue is the most important aspect of your practice.

Take ownership. Take charge. Be decisive. You and your partners will be incredibly thankful you did.

Not sure what your metrics should be? Contact Sara Nofziger-Drew at 800-892-3436 or [sara@healthpromedical.com](mailto:sara@healthpromedical.com) and we can discuss industry standard benchmarks.

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