Key Reasons to Outsource Your Medical Billing

Declining reimbursements and increasing regulatory burdens have continued to take their toll on the bottom line of many medical practices. Simply put, the revenue from a medical practice is based on as well as dependent on effective billing. A 2013 study by Practice Profitability Index (PPI) cites that 36 percent of the 5,000 physicians interviewed foresaw a negative trend in their profits, as well as stating that nearly 20 percent of a physician’s time is spent performing administration tasks.

When administrative tasks such as coding, documentation, and billing is preventing a physician from their core profession - seeing patients - the result can have a significant effect on a physician’s revenue stream, with one study estimating that time spent on administrative tasks costs each U.S. physician $82,975 per year.

Outsourcing medical billing is one potential solution to the challenges listed above, helping a physician’s practice to reduce expenses, maximize revenues and increase profitability. A quality medical billing company can offer an experienced solution to medical billing issues, as well as being committed to improving profits by leveraging optimum processes, IT and business intelligence. In short, outsourcing your medical billing can provide numerous benefits, a few of which are listed below:

- Reduced administration costs -The average practice spends approximately 30 to 40 percent of their revenue stream on an in-house billing staff. Outsourcing medical billing services not only eliminates the need for this, but the paperwork, software, and other costs associated with in-house billing.

- Increased efficiency of workflow - Hiring an expert medical billing company means that you will have a seasoned team of professionals that are trained to know which claims could be rejected and on what grounds. This prevents the lost time and effort which is a common component of reimbursement claim cycles.

- Minimal reimbursement claim errors. According to the PPI report cited above, 65 percent of physicians foresee declining reimbursements as a result of health care reform. Denial and resubmission of a claim can affect revenue as well; it is estimated that each denial claim can cause a loss of $25 to $30 per claim, even when resubmitted. Because the primary purpose of medical billing companies is to review the procedures involved in the claims process and ensure that the claims are filled out properly, there is less chance of denial and/or rejected claims.
• Better quality of patient care. An overload of administrative work affects the patients as well as the physician’s practice. An efficient, accurate system of billing ensures that the staff on-hand can direct their focus to the care of patients, increasing patient satisfaction and allowing for a focus on treatment, not paperwork.

• Reduce ICD-10 transition-related disruption and complications. The Centers for Medicare and Medicaid Services (CMS) anticipates an initial 100 to 200 percent increase in denials after the ICD-10 transition on October 1, 2015. The biggest change to hit the medical billing industry in years, the transition to ICD-10 involves a substantial amount of new codes and documentation requirements, which can impact the workflow and cash flow in your practice. Allowing an expert medical billing company who is prepared for ICD-10 can help navigate the transition with minimal disruption.

With the medical practice being one of the most difficult as well as the most expensive industries, the best solution is to partner with an organization that offers expertise in both service and technology, helping you to maximize reimbursements, decrease denials, and increase profitability. The advantages offered by a medical billing company provide many benefits without all of the unnecessary costs.