



VOL.: 1

A Complete Handbook on Medical Billing

Trends in Healthcare Billing: Healthcare revenue cycle management at QWay

Today's healthcare delivery system is the talk of many countries especially in the United States. The ongoing issues that focuses on how the healthcare financial process is handled and it is one of the many problems frustrating professionals in the billing department of hospitals and medical facilities. Healthcare facilities are facing issues that complicate billing, including changes in healthcare records keeping, increasing out-of-pocket costs for patients, changes that take place in healthcare laws, change in Medicare and Medicaid policies, possibility of the Affordable Healthcare Act.

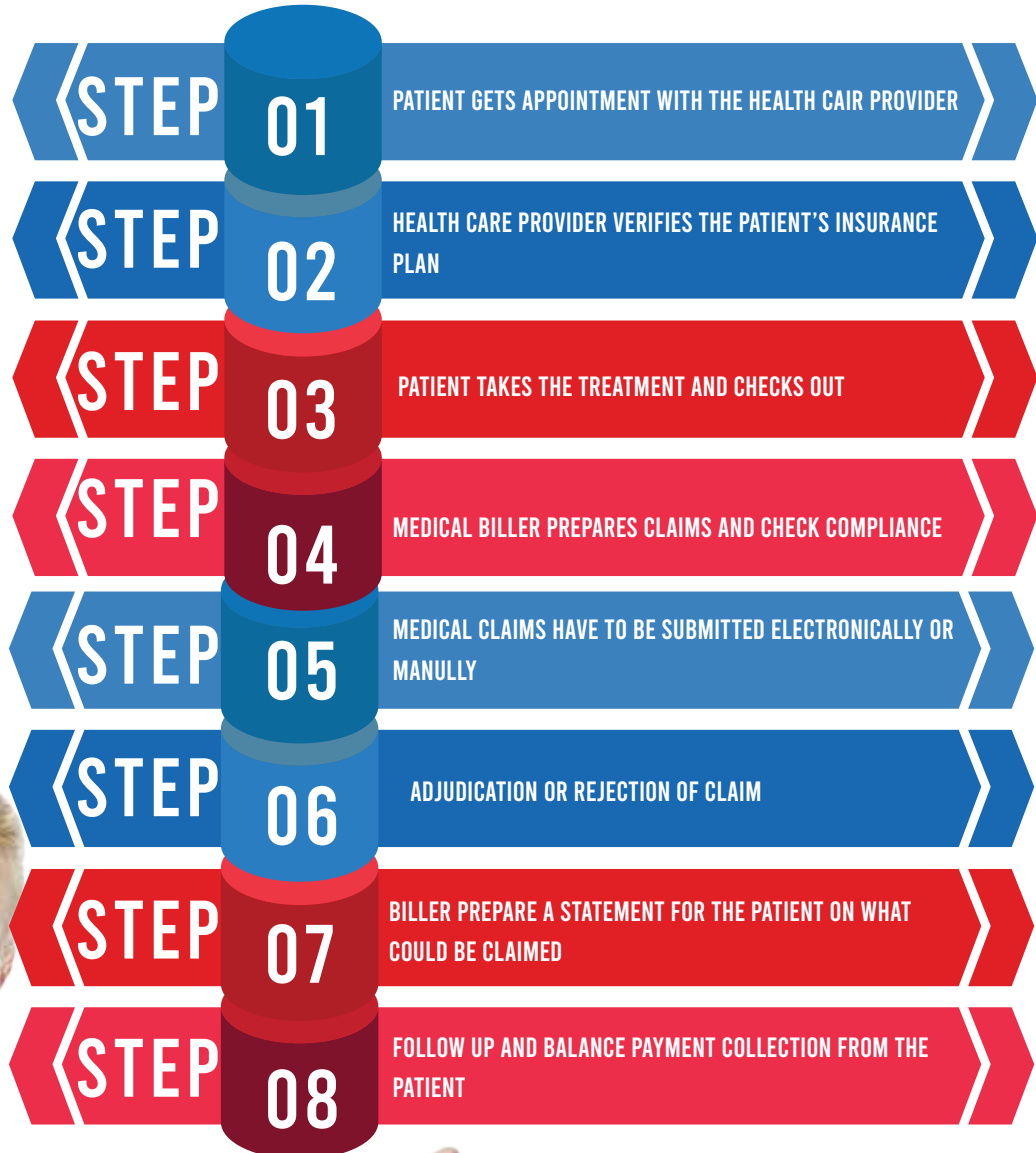
Due to increase in operational costs in the medical industries, healthcare facilities cannot afford to let their A/R go unchecked. A/R must be carefully managed, and the most effective way to do that is with improved healthcare revenue cycle management (RCM). Many healthcare facilities are looking to streamline and reduce costs by outsourcing, offshoring, critical parts of their billing cycle to India, a country with proven expertise in all RCM services.



At QWay, Our new strategies of RCM that we follow are:

- Q Reduced downstream problems, including delayed payments, reworks and fewer errors.
- Q Improved flow of information throughout the revenue cycle
- Q Increased visibility and charge data accuracy
- Q Decreased denials
- Q Decreased manual effort to bill and collect POS
- Q Improved coding accuracy
- Q Enhanced patient satisfaction

RCM Flowchart



Now you would have got a basic idea on how revenue cycle management works in a health care company. It's time to know the 8 easy steps to choose the best revenue cycle management companies. The following steps will be very helpful for medical practitioners like doctors, hospitals, EHR providers and for those who are looking to outsource their medical billing.

8 easy steps to choose the best revenue cycle management companies

As we all know, Revenue Cycle Management is one of the key things for Hospital, EHR companies and Medical Billing Companies. It is also considered as the most complex tasks in that segment. That's one of the main reason they outsource this aspect of their business to expert companies. But the challenge is how to identify the best RCM company? This is where this article will take you through the 8 easy ways to choose the best RCM company. The following steps will be very helpful for doctors, hospitals, EHR providers and for those who are looking to outsource their medical billing. Before we get into details, let us first understand what is revenue cycle management(RCM) and how it functions.

What is Revenue Cycle Management?

The term revenue cycle management is mostly associated with the medical claims by the hospitals and doctors for the service provided by them to the patients. In other words, Revenue Cycle Management or RCM is a process through which the medical practitioners and hospitals identify, verify and collect the payments from the patient's insurance companies who have taken services from them.



Presence of the Revenue cycle management company

The first and foremost step in choosing a RCM company is to know the age of the company. Any RCM company that you are looking for should there be in the business for a minimum of 5 years. More the number of years more the experience and expertise. Let us take an example of company ABC with 8 years in the field and company XYZ with 2 years of experience. It is very obvious that ABC company would have seen more cases compared to XYZ. When a company is there for long, the advantage is they will be knowing the old and the new procedures. So you can pick your RCM company based on this criteria.

Check for the ISO 9001 Certification of the RCM company

Another way of checking the RCM company is to know whether they are ISO 9001 certified?



Why should we know certification of the company. ISO 9001 certification is given for quality standard maintained in processes of an organization. This is a very critical aspect that you should look for. The reason being, medical claims involves lot of process and procedures. Since ISO 9001 certified companies follow standard procedures in their work process we can be sure that they have a structured process in place.



Clients of RCM company

The next important criteria for shortlisting a revenue cycle management company is to understand their client list. You will have to check for the quality and quantity of their clients. Quantity of clients refers to the number of clients they have served. Quality of clients refers to the type of clients served. You will have to understand the spread of clients in terms of client size, client type and geographical area. For example, if you belong to a group of doctors who practice in the same premises, then look out for a RCM company that has more of this kind of a setup. What this indicates is, they have more experience in serving these kind of clients. So it's easier for them to serve you better compared to a RCM company that has more of big hospitals in their portfolio.

Check for the HIPAA standard



The Health Insurance Portability and Accountability Act (HIPAA) relates to the standard in protecting the patient data. Why this is important? This is really important from the patient's point of view that their personal medical data is safe.

Hospitals and medical practitioners has the responsibility to safeguard the data of the patients. So when you are choosing a revenue cycle management company, we need to check whether they are compliant to the standards set by HIPAA.

Claims ratio of the RCM company

It is difficult to find out or get the data on the number of successful and rejected claims of a RCM company. In general, most of the companies will be reluctant to share about their rejected claims. Some companies may even have more rejection cases due to an issue from the patient side. So it is difficult to get this information. But during discussion/negotiation stage we can always ask them on this. If they are confident and open to share these details, then we can shortlist them.

Revenue Cycle Management Team

This is another major factor to consider before choosing the revenue cycle management company. We should always be aware of the team behind the company. Team here refers to the top level management and the support team involved. It is very important for us to know their vision and their geographical locations. If possible we should also be able to know the team's qualifications and their experience in this field. This will help us to know whether they have the right kind of people to serve you.

RCM company charges

Most of us will think, this is the key parameter before zeroing on a RCM company. To be honest, if the chosen company can deliver what is promised and can help you to function smoothly, then pricing should not be an issue. Say for example, we choose a company based on their pricing ignoring other parameters mentioned above, then mostly we may end up spending lot of time in explaining and following up on things. This will defeat the very purpose of outsourcing your medical claim. It is important to keep your budgets tight when you outsource things. At the same time we should not compromise on the quality of service.

RCM company Support services

Another important aspect that needs to be checked is the support system of the revenue cycle management company. We need to check on how their support system works. We have to ensure that the company is process driven and not person driven. The reason being, process driven companies drive on their own. If it is a person driven scenario, then the work comes to a halt if that support person leaves the organization. Till the new person understands the system and this particular case lot of time will be lost.

The Health Insurance Portability and Accountability Act (HIPAA) relates to the standard in protecting the patient data. Why this is important? This is really important from the patient's point of view that their personal medical data is safe.

Medical Billing Outsourcing VS In-house Billing

There has always been a discussion or debate on whether medical billing needs to be outsourced or have to be maintained in house. To be honest, there is no hard and fast rules in it. Each organization's business dynamics and vision is different. So there cannot be one rule fits all. However, if you are a medical professional or a medical billing company in a dilemma then this article will help you to understand how both in house and outsourced system works.

Medical Billing Outsourcing pros



The very reason for medical billing companies to outsource is to benefit from it. Now let us see how outsourcing benefits the medical company.

Cost effective

This is one of the major benefits of outsourcing. When the operational and customer support work of a medical billing company is outsourced to a country like India, the cost will automatically come down. Due to the currency conversion making it viable for businesses. Not just that, the knowledge, infra structure, expertise, procedures, process everything comes at lesser cost. So that makes medical billing outsourcing a profitable venture.



Transparency

Through outsourcing, a given set of standard process, system and procedures can be created. As a result, the medical company is aware of every little detail that is happening through outsourcing. They also use software tools to monitor and manage the business on a daily basis. Since the system is set, the outsourced company also works according to the standards set.

Consistency

Consistency is the key for any business. By choosing the right kind of outsource company, the medical companies can see consistent growth in their business. The outsourced company will also put in their best efforts to deliver consistent results, in order continue their contract with the medical company.

When the outsourced company can produce the desired results, the medical billing company can grow steadily without much problems.

Easy to expand

When you outsource your medical billing work, you get the advantage of expanding faster. Since the work is outsourced, the head ache of infrastructure, recruitment, training etc falls on the outsourced company. Since the cost involved will be almost half the cost, medical billing companies can easily look at expansion faster in an outsourced country.

More focus on patient care

Medical practitioners can spend more time with their patients and provide better service. This is possible only if the doctors relieve themselves from the medical billing work. If it done internally, then the doctors will have to get involved in most of the transactions. This may result in less focus on patients

Accuracy

As most of the outsourced medical billing companies have vast experience and experts, they are so much used to the process of getting the payments seamlessly. On the other hand, if we go for an in-house team to work on the billing, the first challenge will be in getting the right talent.

The next would be the infrastructure cost. Another aspect about an in-house billing team is the size of the team. The size of the team cannot be bigger. So the chances of errors will be high. But the outsourced company can afford to handle all varieties of medical claims and they have a bigger team to solve on a case-to-case basis. This makes the accuracy level high.

Compliance with the standard medical practices

Majority of the medical billing outsourcing companies will be keen in getting compliance with the standard medical practice. *HIPAA (Health Insurance Portability and Accountability Act of 1996) is United States legislation that provides data privacy and security provisions for safeguarding medical information. Source.

The reason being a lot of competition among outsourcing companies to get contracts from US-based medical billing companies. They use compliance to medical practice as a selling point.

Faster claims

As mentioned earlier, most of the leading medical billing outsourcing companies have vast experience in the field. This makes it easier and faster to get claims. The outsourced companies do the follow-up and payment collection. So no headaches for the US company in getting the claims paid. Since the claims are received on a regular basis, it helps the company to have a steady cash flow.

Outsourced cons

Outsourcing your medical billing is not without cons. Let us now go through the various issues faced by outsourcing company.

Less control

Since majority of the operations and support is outsourced, it gives less of control over the business.

Even though, the outsourced companies provide reports, it cannot be equal to really managing it in house. If there is a down time in the outsourced company, it affects the US medical billing company in terms of claim collection and customer support. This will have a serious impact on the reputation of the company.

Variable cost

Another major issue with outsourcing the billing process is the variable cost. As the company grows, the variable cost will increase. There are also the possibilities of outsourcing company shut downs. When these companies shut down due to less number of projects, it eventually increases the cost to the company.



Hidden fee

It is a known fact that the company where you outsource will look at avenues to make money. So they will try to increase their revenue by adding some kind of an hidden fee. So the medical billing company have to be careful before passing any bill.

However, if you choose the right kind of outsource medical billing company, these challenges can be faced without difficulty ensuring more profits.

In-house pros

Having an In-house team for medical billing is the ideal situation any billing company will look for. But unfortunately, in reality this is not the case. In-house billing team will suit for either large companies (because they can afford to) or smaller set ups (because they cannot afford to). In-house has its own set of pros and cons. Let us now go through one by one.

Complete control

The first and the most important factor to go for an in-house billing team is to have complete control of everything. Since all the people involved in this activity are your employees, it is easier to pass on instructions and execute standard procedures without much difficulty.

Return on Investment

When your medical billing is managed in-house the cost will be under control. Since every little process comes under your purview you can keep the cost under check. As a result, revenues can be increased. So the return on investment can be bigger and faster.



In-house cons

Higher costs

In-house medical billing practice involves lot of capital investment in infra structure, recruitment, and so on. Since there is a huge gap between the prevailing costs in the US and the outsourced country like India, it will not be easy to match the costs. So definitely the costs will be higher for in-house medical billing companies

Liabilities

Liabilities tend to go up when you have your own in-house team. When you are using your own team all expenses have to be paid upfront and lot of cash flow needs to take place to run the company without liabilities. When it is outsourced, you will get enough credit period and the liabilities will also be lesser

Support issues

Another major issue with in-house team is the support system. As the company grows, it will be difficult task to have the optimum resources to serve the clients. Sometimes we tend to have a smaller team for a bigger client base or have a larger team for a smaller client base.

In the first scenario, customer will be affected. In the second, company will have the effect. One more issue is employees leaving the company. It is very difficult to have an additional bench strength to fill this gaps. So it is really a challenging task to have your in-house billing team.

Hope most of the major points are covered above. If any of the critical points found missing, do share it in the comments, we will be happy to include it, if it meets our standard blog guidelines.

You can also do a favour by sharing this article to doctors/medical billing companies/EHR companies in the US. It will just take a few seconds to share, but it will be really helpful for the people searching for information on outsourced medical billing and in-house medical billing.



CORPORATE OFFICE

**QWAY HEALTH LLC, 5 INDEPENDENCE WAY,
3RD FLOOR #300, PRINCETON NJ 08540.
PHONE: +1-844-640-1488**

FEEL FREE TO CONTACT US

shehan@qway.us

www.qwayhealth.com