

Medical Billing for Private Practices: Don't You Want to Get Paid?



You know medical billing is a crucial part of your private practice, but why exactly is it so vital? There are many reasons that all boil down to the same thing: it's a matter of survival.

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Solo practitioners rely heavily on [revenue cycle management](#), timely submissions of claims, and reimbursement from insurance carriers for their very survival. Unfortunately, it's not uncommon to find a private practice physician waiting weeks if not months for reimbursement.

Why do private practices struggle with billing tasks?

One of the main reasons why small private practice physicians struggle with medical billing is that a vast number of medical billing companies don't typically work with small or solo practices. Why? Because these types of accounts are smaller.

The majority of medical billing companies charge a certain percentage of overall collections generated from the billing services they provide. Smaller revenues equals smaller profits for the medical billing company. Unfortunately, it's as simple as that.

So why not hire someone in the practice to take care of the coding and billing? Many doctors do. However, today's healthcare billing practices can be quite convoluted.

A number of rules and stipulations apply to claims submissions depending on whether you're billing Medicare/Medicaid, veteran's insurance providers such as Tricare, or one of the many private healthcare insurance companies in the United States. Each of these carriers has different provisions and guidelines as well as time limits for filing claims.

How important is medical billing for private practices?

It's especially important for private practices to bill out as quickly and efficiently as possible. Revenue has to be generated in order to keep the office open and meet payroll and expenses. And even doctors need to earn a salary. You need and deserve to be paid for your services.

An overwhelming majority of small and solo physician practices continue to utilize in-house billing with varying degrees of success. Medical billing is vital for a private practice...if the doctor wants to get paid.

In order to get paid, claims for services must:

1. Be submitted in a timely manner, and
2. Contain the correct codes for procedures, treatments, and services.

If a practice has a healthy revenue cycle management process and a physician pays close attention to it on a regular basis, in-house medical billing may be successful, depending on the experience, qualifications, skills and knowledge of the individuals tasked with coding and billing.

Should you stay in-house or outsource medical billing?

In certain scenarios, in-house medical billing can be more efficient than outsourcing. However, the key is always to generate the highest return on investment. So in most cases, a [medical billing company](#) can save you money on overhead costs and employees' wages, reduce the risk of errors, and provide consistency as well as transparency.

Making a decision to maintain in-house medical billing or deciding to outsource is a decision that must be made with care. Medical billing processes are the bread-and-butter of a private practice. The bottom line is that if you're not billing for services rendered in a timely manner, you're not going to get paid in a timely manner.

Even a solo practice or small practice can benefit from outsourcing medical billing in order to:

- Increase cash flow.
- Get paid faster (professional medical billers that focus only on the billing process can reduce errors that result in a claims denial).
- Eliminate significant in-house costs, including a medical biller's salary, their benefits, the lost productivity cost when they are sick or on vacation, and the specialized computer software they require to perform their job functions effectively.

A specialty-specific private practice can also opt for a billing service that focuses on specific healthcare fields like urology, orthopedics, or oncology. This specialized, focused knowledge of accurate billing codes and procedures can streamline claims processing and facilitate faster reimbursement.

Increasing cash flow

In order to improve and increase cash flow, receive faster payments, and get reimbursed so you can pay your own bills, you can take a number of steps to enhance medical billing efficiency in your practice:

- 1.** Whenever possible, utilize your static and mobile EHR technologies to code for services as soon as possible after a patient encounter. This helps reduce incorrect or missing codes.
- 2.** Always verify eligibility of benefits and patient demographics to avoid delayed or denied claims. It's recommended that private physicians check for eligibility at the time the appointment is made. You should also check one to several days before the actual appointment, and again when the patient is in your office.
- 3.** Tracking is essential for key performance measures such as accounts receivable, days in accounts receivable, and accounts receivable over 120 days.
- 4.** Take advantage of EHR systems that enable you to communicate easily with billers for optimal outcome. Communication (i.e. flags or notes) can assure accuracy and the correct usage of CPT and ICD codes to help streamline claims processing and reduce the amount of denials.
- 5.** If you don't have the time to stay up-to-date or on top of your in-house billing, consult with professional medical billers. At the very least, utilize EHR systems and technologies that incorporate practice management, medical billing and coding, and other customizable options to maximize your potential for timely reimbursement.
- 6.** Train staff to collect a minimum of 90% of co-pays at the time of services rendered, which can significantly improve cash flow.

There is no doubt that [medical billing software](#) for private practices is essential not only for the health of your practice, but for the health of your own wallet. A number of EHR systems today incorporate practice management software that streamlines workflow and billing processes with an integrated clearinghouse.

They also enable the ability to analyze and manipulate data that helps you stay on top of your practice, your billing and coding practices, and most importantly, your reimbursement rates. After all, you deserve to be paid for the healthcare services you provide.

About the Author



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Manny Oliverrez, CPC, is a 20-year healthcare veteran and the CEO and co-founder of Capture Billing, a medical billing services company located outside of Washington, D.C. He teaches the nation's physicians, administrators, and medical practices how to maximize billing and revenue cycle management processes. Manny also frequently posts articles and videos on his [award-winning healthcare blog](#). For more information on Manny and his company, please visit [his website](#), or call (703)327-1800. And if you're on [LinkedIn](#), please look for him there too. **READ MORE**

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