Improving Business Processes at Your Medical Practice

By Sue Irwin, MCS-P [2]

With the government trying to reduce your income on one side and possibly increase it on another, you need to keep track of your processes.

There are many types of practice management software that can give you excellent reports to evaluate your practice’s business processes. Do you actually read them, understand them, and use the information to massage your processes for better results? With some of the practices we have worked with the answer, sadly, is no.

Most of your good practice management software programs can get you reports on any field that is populated in your system. “Data mining” is a very popular phrase right now and you should be able to do that with your information. What it means is that you are able to drill down to the points of interest for your practice so that you can get better results. You should be able to analyze things that directly affect your cash flow. With the government trying to reduce your income on one side and possibly increase it on another, you need to keep track of your processes.

We’ve all read what you don’t measure can’t be improved and what you don’t track cannot be improved exponentially. So, with that in mind, following are some processes that need to be measured and tracked.

• **How long does it take for charges to get into the system?**
  If an office visit is on the 12th, when does it get put into the system and charged to insurance? Are you aware of the correlation between getting charges in quickly and correctly to getting paid quickly and correctly? So, you need to know how long it takes between the time you see the patient and the time the charge is submitted. Also, you need to remember that many insurance companies are now cutting their timely filing limits to 90 days (some are even shorter). So for those of you who take your time getting the information to the billers, expect to lose money due to timely filing denials. As a rule of thumb, if you don’t have an EHR, you should have the charges into the billing office within 24 hours of seeing the patient. Sometimes that is not feasible; I suggest that in no way should it take longer than a week for the billing office to have the charges. Measure this and you can improve on the processes to reduce the time lag.

• **Do you track your denials?**
  Know what kind of denials you are getting and why it is vital to your practice’s fiscal health. No practice is free of denials. Part of the reason for that is the insurance companies change the rules constantly. Modifiers required or not required are changed, certain charges become bundled with another while others become unbundled, etc. If one was a cynic, one could think that the insurance companies do that on purpose to limit their own liability. Once you know what the most common denials are, you can adjust your processes to stop and/or limit them. This knowledge is also useful when it comes to the negotiations of new contracts. This knowledge is vital!

• **Do you quickly repay back the credit balances?**
  Many practices ignore them — not smart! Credit balances are unavoidable as things can cross in the mail, insurance companies can change their minds on the way they processed something, etc. If the credit balance belongs to the patient, some practices believe the patient will be back and can “work” off the credit. This is horrible “customer relations.” At the least, the patient should be notified that there is a credit and asked how they would like the credit to be handled. A much more direct and cleaner way to handle them is to just send a check. Many practices also think that the insurance companies mess with their reimbursements enough and don’t want to reimburse them. Again, not smart and probably not legal; in your contracts, credit balances are addressed. The cleanest way to handle them is to contact the insurance company and have them do a “take back” on a future remit. Often when you just send an insurance company a check with an explanation, things often get confused. This is also not a good situation.

• **Do you write off small balances?**
  This was the practice for many medical practices for many years. It was not cost effective to go after anything under $10. Times have changed!!! There is now software out there that can help you to go
after the small balances that don’t cost postage, paper, etc. All you need to do is collect e-mails
and/or cell phones. Along with those numbers, put in your financial policy that you have permission
to text them or e-mail them and have them sign the policy. You can then set up notices to go to
those patients. Is that great, or what? When a practice actually adds up all their small balance write
offs, it usually finds that the cost of the software/service to send the texts and emails is easily
absorbed and the return on investment is huge!
Knowing the above information is what helps a practice stay solvent. Little things that are measured
and tracked often make a huge difference to the bottom line. That is always a good thing!
Find out more about Sue Irwin and our other Practice Notes bloggers.

Source URL:
http://www.diagnosticimaging.com/blog/improving-business-processes-your-medical-practice

Links: