Things to consider when deciding whether or not to outsource your medical billing

Billing is a crucial area for a medical practice that wants to maintain a steady cash-flow. Deciding whether or not your billing is handled in-house or is outsourced is a decision that needs to be assessed based on your specific practice, its resources and operating style. To choose which type of billing is best, consider the benefits and drawbacks of each option.

In-House Medical Billing

As its name suggests, in-house billing means that the practice directly employs someone to take care of the billing needs. Having in-house billing provides the physician owner with more apparent control over the billing process. However, it also has its drawbacks:

- **Cost:** When your medical billing is done in-house, your office has to hire an employee dedicated to this function. This means you must pay costs for an annual salary, health care and insurance policies, as well as training. These collective costs have been shown to outweigh the cost of outsourcing your medical billing needs.

- **Personnel problems:** Because of the cost of bringing an employee on board to provide billing work, when this person gets sick or goes on vacation, revenue at a medical practice can be greatly disrupted. This type of disruption does not occur with outsourced billing.

- **Management responsibilities:** With the hiring of any employee comes the necessity for someone to be monitoring their work and making sure that they are producing properly. Issues that come up during the billing process fall squarely on the shoulders of the medical office to fix. This can cause great stress when problems with billing or training come about and is emphasized when turn-over occurs with trained staff leaving for higher paying opportunities.

Outsourcing Medical Billing

With outsourcing, you hire an outside firm to help with billing requirements. Generally, you pay them a percentage of the revenue that you have them bill. While outsourcing does mean giving up direct control and supervision of the process, there are some key benefits to outsourcing your billing:
• **Guaranteed expertise:** Next year, medical codes will switch to a new system, ICD-10. While the conversion to ICD-10 has its own requirements for conversion preparation, a billing team must be up to date on ICD-10 by the time the switch becomes mandatory to bill properly. When you outsource medical billing, you no longer have to deal with training your own billing staff. That reduces the degree of difficulty of converting to ICD-10 for your practice.

• **Reduced stress and responsibility:** If something goes wrong with your billing, it is the responsibility of the professional that you are paying to fix it. This means one less problem for your practice to be concerned with. You also do not have to be concerned with staffing and personnel issues that can arise when you have an employee doing the billing.

• **Increased focus on patient care:** With the reduced amount of time spent on billing, you can devote more resources to improving the quality of care you give to your patients. This will mean better patient retention, more word of mouth referrals, and ultimately more revenue coming in the door.

While in-house billing may appear to provide greater control over the process, outsourcing your billing has been shown to cost less and minimize the responsibilities that a medical office faces.

You must weigh the pros and cons of each style to decide which is best for your practice. For more information about medical billing, visit the website of an experienced medical billing and consulting organization like eHealthcare Solutions.